Mr John Redwood (Wokingham) (Con): I am grateful to the Chancellor for giving way. I welcome the work that he and his colleagues are doing on a growth strategy, which he said is needed. A big component of that is the £75 billion of quantitative easing. We are also told that there will be credit easing to get the money into private companies. Will that be on top of the £75 billion injection or within it?

Mr Osborne: It will be on top of the £75 billion. I have not gone through the QE and credit easing policies in detail today because I went through them in the House on Monday, but I would be happy to do so if Members like. QE is an operation undertaken by the Bank of England under the procedures established by my predecessor. The credit easing options that we are looking at involve the Treasury—or rather the Government—using its balance sheet to get money to small businesses either by purchasing securitised small loans, purchasing mid-cap company bonds in the bond market or issuing guarantees through the banking system. All those things currently happen in Britain, but on a very small scale. Our intention is greatly to increase them, and I will set out the proposals in November.

David Wright (Telford) (Lab): I am grateful to the Chancellor for letting me intervene. Would he be willing to release all the information relating to meetings and discussions that he had with the Governor of the Bank of England on introducing the latest phase of QE, and does he anticipate that we may need more?

Mr Osborne: No, and not even in my memoirs, because the conversations between the Chancellor and the Governor of the Bank of England should be confidential. However, let me make it absolutely clear to the hon. Gentleman that we are talking about an entirely independent decision by the Monetary Policy Committee—not just the Governor of the Bank—and that I followed exactly the procedures established by my predecessor.

Gavin Shuker *rose—*

Mr Osborne: No, I will make some progress and then perhaps take an intervention from the hon. Gentleman.

We did not hear today about the big Labour idea on the economy that was unveiled two weeks ago. Hitting businesses with more taxes and more regulation at a time like this is absolutely the wrong thing. The way to help businesses to create jobs is to give them competitive tax rates. That is why we have cut corporation tax this year—we have three more cuts to come—and why we have reversed the proposed Labour increase in the small companies tax rate and frozen business rates for all. It is also why we have set up a series of schemes to help unemployed people who have either just lost their jobs or never had a job into the labour market by getting them work. We have launched the biggest back-to-work scheme that the country has seen in 80 years and funded 250,000 more apprenticeships and 100,000 work experience places. Today we have launched the new sector-based work academies to help tens of thousands of young people with training and job interviews. Youth unemployment in this country has been rising since 2004. The last Government did next to nothing to confront it; we are rolling up our sleeves and getting stuck in to sort out this long-term problem for Britain.

Toby Perkins (Chesterfield) (Lab): The Chancellor has been very generous in giving way, although not so generous in actually answering the questions that he has been asked. He has just laid out all the things that he is doing to put things right, yet the economy is flatlining, with record youth unemployment and no growth back in the economy. What is he going to do to improve the situation? Does he not recognise that we cannot just cut the deficit if we do not have growth?

Mr Osborne: We would not have growth if there was a big increase in interest rates. Let us look at other countries in the world that do not have a credible plan to deal with their deficits. Of course this is a difficult time, when many western economies have this problem, but we are taking the tough steps necessary to get the economy going and make it easier for businesses to hire people, which brings me on—

Several hon. Members *rose—*

Mr Osborne: I will take interventions in a moment, because I want to know the Labour attitude to these policies that we are proposing.

We are proposing to extend the probation period before a new employee can make an unfair dismissal claim from one to two years. We are also proposing to introduce, for the first time ever, a fee that someone has to pay before they can take a case to an employment tribunal and which they get back if they win. Those are two difficult measures; they are controversial, but they will make it easier and less risky for businesses to hire people. I want to know whether the Labour party will support those measures when they come before the House of Commons. Will it? I want to know whether the right hon. Gentleman will support these things when they come before the House of Commons. Yes or no?

Ed Balls: Let me just ask the Chancellor—[HON. MEMBERS: "Answer!"] Let me ask him a question to help us to shape our view. Will the impact of extending that probation period from one year to two years disproportionately hit men more than women, or women more than men?

Mr Osborne: It is not going to hit people; it is going to help people into work. I want to know another thing from the shadow Chancellor. I have made it clear that this proposal is going to help people to get into work and help businesses to hire men and women to do jobs without taking the risk that they might bring an unfair dismissal claim within the first couple of years. He kept talking about the Federation of Small Businesses in his speech; it supports the proposal. Does he? It is a simple question. Yes or no?

Ed Balls: Let me ask the Chancellor a question—[HON. MEMBERS: "Answer!"] This is important. We need to know the facts before we take a view. Will women have to wait two years before they have any right to statutory maternity pay under his proposals?

Mr Osborne: No, no—I am talking about claims for unfair dismissal, and I want to know whether the right hon. Gentleman supports those proposals. This is not about statutory maternity pay; it is about extending the probation period for unfair dismissal.

Here is another question for the Labour party. The trade unions are proposing to go on strike this autumn. That is what they are balloting on. I think everyone in the House would agree that a strike is absolutely the worst thing for the British economy at the moment, and I want to know whether Labour will support that strike or condemn it. Is the shadow Chancellor going to condemn the strike—yes or no? And I do not want any weasel words about a proper negotiation process; I want to know whether, if it comes to a strike, he will condemn it.

Ed Balls: The whole country wants to avoid a strike, but that will require this Chancellor to change his proposals on a deeply unfair 3% rise in pension contributions. We can avoid a strike, but it will require this inflexible Chancellor to do the right thing, not the wrong thing.

Mr Osborne: That is another thing that Labour refuses to condemn. There we have it. We asked the former Labour Work and Pensions Secretary, Lord Hutton, to do a report for us. In his interim report, he set out a case for increased contributions. In his final report, he set out proposals for the defined benefit. We are negotiating on the basis of that. I want to know whether, if it comes to a strike, the people who are paid for by the trade unions are going to condemn trade union activity that would be the wrong thing for the British economy at the moment. Will the shadow Chancellor condemn it?

Bill Esterson: The only people in this country who want a strike are the people sitting on the Government Benches, because they think that they will get a short-term political gain from it. The Chancellor has mentioned interest rates a number of times. Is it not the truth that they, and confidence, are low because the economy has ground to a standstill because of his policies? Will he confirm that?

Mr Osborne: I will tell the hon. Gentleman what would damage confidence: a strike by the trade unions this autumn. Opposition Members are the people who are paid for by the trade unions, and I want to know whether they are going to condemn the strike or not.

Several hon. Members *rose—*

Mr Osborne: I will make a bit of progress before I give way.

Not only are we taking measures to make it easier to employ people and putting in place measures to get people back into work—*[Interruption.]* They are not going to hit women; they are going to help women get into work. We have also announced new investment in local transport links. We are spending more on roads and railways than the last Labour Government did. We have plans for 200,000 new homes, many of them on the back of a new right to buy. We have created two dozen new enterprise zones, and this month committed almost £250 million to world-beating scientific research. That is because, unlike the last Government, we think it is important that things are made in Britain again.

Andrew Selous (South West Bedfordshire) (Con): The Chancellor has just told us that there have been £31 billion of extra Labour spending pledges—£11 billion from an amendment last week and £20 billion today. Given that we already pay £120 million every day in debt interest, can he tell us how much extra debt interest we would be paying every day if those Labour proposals went through?

Mr Osborne: I have not got that calculation on me, but I will certainly give it to my hon. Friend and use it at a future opportunity, because it is a reminder that this money is coming directly out of the Government coffers in debt interest payments every single day.

Several hon. Members *rose—*

Mr Osborne: I will make a little progress, as I know that many people want to speak in the debate.

We have taken steps to try to help people who are facing this difficult situation. We have announced a freeze in council tax, not just this year but next year, and we have taken more than 1 million people out of income tax and delivered an income tax cut for 20 million more. The shadow Chancellor often talks about fairness in paying for all those things, but I want to know why, in all the years that he was chief economic adviser to the previous Government, he blocked and never introduced a permanent bank levy. Why did he never introduce a higher charge for long-staying non-doms? Why did he never conclude a tax treaty with Switzerland to get back some of the money that should be paid into the British Exchequer?

Ed Balls *rose—*

Mr Osborne: I will give way to the right hon. Gentleman after I have made this point. His only achievement in that field was to introduce a capital gains tax regime so riddled with loopholes that some of the richest people in this country boasted about paying less tax than the people who cleaned their houses. Is he proud of that record?

Ed Balls: Under Labour, child poverty fell by more than 500,000. Will the Chancellor tell the House what, according to the Institute for Fiscal Studies, will happen to child poverty this year and the year after? Will it fall, or is it going to rise under his chancellorship?

Mr Osborne: The IFS says that child poverty is rising, but the reason it is rising is that the right hon. Gentleman put this country into a complete economic mess. I can see my right hon. Friend the Secretary of State for Work and Pensions standing at the Bar of the House. He is introducing universal credit, which will do more than any other measure to bring child poverty down, to give opportunities to people who have none at all, and to ensure that work pays. That is what we are doing, and I want to know whether the shadow Chancellor supports that. Does he?

Ed Balls: I support welfare reform—[HON. MEMBERS: "Ah!"] Of course I do, but I have to say that I hope the Chancellor will give the Work and Pensions Secretary the money to make it work. The IFS said this week that any gain in child poverty through universal credit would be more than swamped by the Chancellor's other measures, particularly the change from RPI to CPI, so that the fall in child poverty under Labour would be reversed under the Tories. Is the IFS right?

Mr Osborne: I thought that Labour supported the link to CPI. Is the shadow Chancellor changing his mind on that? In the debates, the Labour party supported the link to CPI, and he has just raised the matter. Has he changed his mind? *[Interruption.]* Thank God he has a new shadow Chief Secretary to give him the answer.

Ed Balls: We have always said that we would support a temporary rise in CPI during this Parliament, but that we would not support a permanent rise. It is a permanent rise that will see child poverty rising year on year under the Tories. Child poverty fell under Labour; it will rise under the Tories. That tells us everything that we need to know.

Mr Osborne: The shadow Chancellor is all over the place. He was asking me about child poverty numbers in 2012, 2013 and 2014, and he said that, according to the IFS, the principal cause of the rise was a policy to link benefit increases to CPI. That is a policy supported for this Parliament—that is, in 2012, 2013 and 2014—by the Labour Opposition, and it is complete hypocrisy for them to complain about it now. Will the shadow Chancellor confirm that he supports the CPI policy for this Parliament—yes or no?

Ed Balls: The permanent rise in CPI is a mistake. Will the Chancellor confirm his support for the law of this land that child poverty should be abolished by 2020?

Mr Osborne: We have kept that target, but the right hon. Gentleman has still not confirmed that—*[Interruption.]* I welcome the shadow Chief Secretary to her position, but I have to tell her that the shadow Chancellor has just raised with me the question of the IFS estimates on child poverty over this Parliament. The IFS says that one of the principal causes is the policy on the link to CPI. That is the IFS's view, although universal credit will do a huge amount to offset that impact. It is a policy supported by the Labour party, and it is completely hypocritical of the Labour party to come to this Parliament and raise those statistics and complain about that policy when they said they supported it all along.

Several hon. Members *rose*—

Mr Osborne: Let me make a little progress, as I know many Members want to speak.

I shall touch finally and briefly on the last thing missing from the shadow Chancellor's speech—and we all know what that was. It was an apology for everything that had gone wrong. The right hon. Gentleman has apologised for so many things now—for the worst banking crash in our history, the 10p tax rate, the 75p pensions increase, gold, although I am not sure that he has apologised for that, the feuds in Downing street—yet he still refuses to apologise for spending and borrowing too much. He said that Labour did not spend "more money" than "we had available", but he missed his golden rule by more than £400 billion. He doubled and then redoubled the national debt. Everyone knows he was spending too much, and everyone has said so. The IFS, since he mentioned it, has said so; Tony Blair has said so; the last Chancellor conceded it in 2007. It is an open secret that half the shadow Cabinet want him to make this apology, but the shadow Chancellor refuses to do it—and we know why. If he did, it would be the final damning indictment of the economic policies he imposed on this country for a decade or more. It would be the final confirmation that his promise to end boom and bust—remember that?—led to the greatest boom and the biggest bust this country has ever seen.

What did we get? No apology; no mention of Labour's latest economic idea; no credible plan to reduce the deficit. That is why Labour is neither convincing nor credible on the economy. Yes, these are difficult times; yes, this is a global debt crisis. We are dealing with Britain's record debt problems. We have set out a course to ride through the storm and build a more prosperous future. Today we were reminded that no one, least of all the people who got us into the mess, has produced a convincing alternative to the course we have set.

Several hon. Members *rose*—

Madam Deputy Speaker (Dawn Primarolo): Order. I inform the House that more than 40 Members wish to participate in this afternoon's debate, so Mr Speaker has applied an eight-minute time limit to all speeches from the Back Benches from now on.

3.12 pm

Mr Alistair Darling (Edinburgh South West) (Lab): As the Chancellor has referred to my book—and no doubt others will do so, too—perhaps I should draw the House's attention to my declaration in the Register of Members' Financial Interests.

From listening to the Chancellor, it is easy to forget one important fact. When we left office in 2010, our economy was growing; 12 months later, our economy is not growing at all. Growth has stalled, probably for more than a year. Despite everything that the Chancellor and his colleagues said during the last election about its all being the fault of the last Labour Government and nothing to do with global problems or Europe, our economy was growing. Now, 16 months after that general election, while the Chancellor has been in charge and responsible for setting the economic direction, our economy has stopped growing. Even a few months ago people believed that we might see a slow but gradual climb out of recession into growth, but now, right across the world, people are seriously worried that we could be in for a prolonged period of stagnation—at tremendous cost to the country, as today's unemployment figures show.

Sajid Javid *rose*—

George Freeman (Mid Norfolk) (Con) *rose*—

Mr Darling: According to Madam Deputy Speaker's ruling, I have only eight minutes, which means I can give way twice to my benefit; after that, it counts against me. I will, however, give way to the hon. Member for Bromsgrove (Sajid Javid).

Sajid Javid: I thank the right hon. Gentleman for giving way. He said in his recent memoirs that Labour still needs to offer a "clear and viable alternative". Does he believe that he has heard that today from the shadow Chancellor?

Mr Darling: As we have heard today, the shadow Chancellor and the Labour party are still adopting my policy on the deficit. It was a sensible policy when I first announced it in 2008, and it is still a sensible policy today. The heart of my present argument is that while no one doubts that the deficit has to come down, the judgment to be made is about how fast we bring it down and the risks involved in doing so too fast and ending up crashing the economy. That is the position we have reached today.

It is interesting that the International Monetary Fund has been much discussed this afternoon. It is worth reading what the IMF and Christine Lagarde, who talks a lot of sense on these issues, have been saying. Of course the IMF is always going to be wary of taking on one of its principal shareholders, but we do not have to read too far between the lines to see what the IMF is saying. It is saying quite clearly that there is now a serious risk of a slow-down in major economies, including our own, which will result in not less but more borrowing, and economies stagnating.

It is also interesting that when the Bank of England announced last week further measures of quantitative easing, which I support, it did so against a completely different background from its first announcement in 2009. The Bank is now worried about what is happening in Europe, which means that the economy is slowing down. The Bank is seriously worried about the lack of growth. The QE announcement last week is just the beginning of what might be called plan B or even plan 1A, because the Bank is worried. That is why it is changing direction.

I was pleased to hear the Chancellor talking about credit easing for businesses on top of the £75 billion. Surely that is at least some recognition of the fact that the plan he announced with so much confidence last summer, which was going to do so much to reduce our borrowing, is not working. He has to adapt it and my bet is that—whether it be in the autumn statement in a month's time or in next year's Budget—we will see more measures that acknowledge that the policy pursued by this Government is simply not working. If we do not change it, we will pay a very heavy price.

Kwasi Kwarteng (Spelthorne) (Con) *rose*—

Mr Darling: I will gain another minute by giving way to the hon. Gentleman, so I will do so.

Kwasi Kwarteng: I am grateful. Will the right hon. Gentleman tell us how he voted in the IMF subscription vote?

Mr Darling: I have always made my position clear. One of the big achievements of April's G20 meeting, led by the then Prime Minister my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), was to get countries to sign up to an increase in IMF funding. That has always been my position, and I am not going to depart from it because I believe that the IMF has a central role to play. With respect to the hon. Gentleman, his intervention does not get him off the central point of this debate, which is what is different now from the position when we left office. My deficit reduction plan was on the back of an economy that had started to grow, so my right hon. Friend the shadow Chancellor is quite right to ask himself what we need to do now, 16 months later, when economic growth has stalled, and what other measures are necessary to get the economy going.

My right hon. Friend is also quite right to say that, although a few months ago very few people were talking about the need to reduce taxes, bring forward capital spending or take measures to help businesses, that has now become common currency among many commentators. It is only the present Government who simply do not accept that the plan they announced 16 months ago is not working. As my right hon. Friend said, the Chancellor has had to downgrade his growth forecast four times. I remember his having great fun at my expense when saying that my growth forecasts were wrong. Actually, mine lasted a lot longer than his. He should reflect on that and on the fact that he is having to borrow more.

I raised another point about quantitative easing with the Chancellor on Monday and I hope we will hear more about it. If that money does not leave the vaults of the banks and get out on to the high streets, it will have failed. I know that the Chancellor has had exactly the same trouble with the Bank of England as I had. I could not persuade it to buy corporate assets; he has obviously failed as well, which is why he has had to think up his own scheme. We really need to get that money out on to the high streets; if it is not manifested in the form of loans to businesses, it will simply not work.

I note that the hon. Member for West Suffolk (Matthew Hancock) is no longer in his place. He said that quantitative easing works only when there is a credible policy. Given that the Bank of England has said that it worked, we must have had a credible policy at the time. I am sorry that the hon. Gentleman is not here to hear that; he might want to ponder it when he reads *Hansard* tomorrow morning, as I am sure he will. The Chancellor needs to ensure that the money gets out on to the high street; otherwise, it will fail. It is remarkable that the Bank of England is almost now doing what the Government should be doing. It recognises that the policy is not working, which is why it has embarked on another round of quantitative easing.

The Chancellor is fond of saying that all our problems are on account of the eurozone. That, too, is remarkable. When he came into office, the Tory story, backed by the Liberal Democrats, was that it was all the fault of the last Labour Government. All was fine with the rest of the world, so it was just Labour's overspending that was responsible. Incidentally, the Chancellor supported it right up to the end of 2008 and the Liberal Democrats supported it until the day after the general election, so it could not have all have been wrong at that stage. Now they are saying that the problem is not domestic at all; that it is all to do with what is happening in the eurozone.

Of course the eurozone is a major problem and it is becoming a bigger one by the day. I hope the Chancellor was right when he said at the beginning of the week that wiser counsels are prevailing in Europe, but I am not so sure. We should remember this: although people talk about the fact that the German Parliament ratified the deal a couple of weeks ago—and Slovakia will probably put it through later this week—it was in fact agreed in July, and it is blindingly obvious that it is now out of date. At that time no one would talk about Greek

[Mr Darling]

default, whereas now everyone knows that Greece will default, and the only question is whether it will be done in a managed way or become a disorderly breakdown.

Another thing that is obvious—the Chancellor acknowledged this on Monday—is that the austerity measures being imposed on Greece simply are not working. Greece is reaching a point at which it is unlikely to be able to repay the interest on its borrowing, let alone reduce its borrowing and debt. The policy of austerity endorsed by far too many European countries over the last 16 months or so worked at first, but it is not working now, and Greece is living proof of that.

I hope that something compelling and convincing will be agreed at the G20 in a couple of weeks' time, but I have my doubts. The trouble with the eurozone countries is that they are still fighting as though nothing has changed since the early summer, which has been their position since the early part of 2009. If we have any influence I hope that we will bring it to bear. If we do not, there is a risk, as the Chancellor himself recognises, that if things go wrong in the eurozone they will affect this country. While I agree with the Chancellor that we should certainly should not contribute to the bailing out of the eurozone, he is also right to say that a break-up of the euro at the present time is the last thing that the world economy needs, ourselves included.

That brings me to our policies back at home. I have always believed that reducing public expenditure at such a rate, in a climate in which the private sector is not taking its place, risks crashing the economy. I reached that view when my party was in office, and I still hold it today. The evidence seems to suggest that that is precisely what is happening now, and that is why it is so damaging.

Richard Graham (Gloucester) (Con): Will the right hon. Gentleman give way?

Mr Darling: I will not, because it will count against me if I give way again.

I hope that the Chancellor will produce measures to deal with the situation. He may wish to embark on infrastructure projects, although in my experience that is much easier said than done, and the interval between making a plan and putting a shovel into the ground can be a long one. Some of the road schemes that the Chancellor mentioned were planned by the Labour Government—one of them back in the 1970s—so we should not get too carried away about them. However, he should certainly introduce the tax reductions and other measures to help businesses to which my right hon. Friend the Member for Morley and Outwood (Ed Balls) ascribed such importance.

It is clear to me that we cannot resign ourselves to circumstances in which people feel that nothing can be done, that it is all inevitable, and that nature must take its course. Governments can make a difference—they made a difference two years ago at the G20 in 2009—but we currently have no international leadership, and we have precious little leadership from our own Government when it comes to what we should be doing in this country. There is, and there must be, an urgency attached to getting these things right, but that means a change of policy here at home as well.

3.22 pm

Mr Andrew Tyrie (Chichester) (Con): This debate about growth contains three distinct components, although, of course, there are close connections between them: the strategy to stabilise the public finances, the strategy to secure recovery, and the strategy to raise the long-run growth rate. I want to say a little about each of those.

There has been a fair amount of partisan politics around today, and I do not intend to add to it unless severely provoked. As I have said in the House a number of times before, the right hon. Member for Edinburgh South West (Mr Darling) deserves considerable credit for his March 2010 Budget, with its plans for sharp cuts in spending and borrowing. Equally, the coalition deserves credit for its own plans. Our present low debt service costs speak for themselves. They reflect the credibility invested by markets in the deficit reduction strategy and the belief that the coalition will stick with it, and the country will be the beneficiary of that.

As for policies to secure recovery, we can all agree that, given the eurozone crisis, the international economic outlook is much worse than forecast either by the right hon. Gentleman in his Budget 18 months ago or by the Office for Budget Responsibility this spring, and I am sure more surprises will follow. However, it is not true that the Government are doing nothing in response, as the right hon. Gentleman implied. They have rightly adapted to the situation, and the recovery strategy has changed. The Bank of England has adapted by announcing the second tranche of quantitative easing, and the Chancellor will adapt by announcing credit easing in his autumn statement.

I strongly endorse the Chancellor's decision to favour monetary policy as the short-term tool rather than tinkering with tax changes, which is what is proposed in the five-point plan. I am sure that the Treasury Committee will want to examine exactly how the Government have changed their policy on the recovery strategy and whether QE2 and credit easing are the best tools, but I think everybody can agree that it was timely to take action. We can also agree that British taxpayers should not be asked to contribute to any further eurozone bail-out.

John Mann: History shows that the use of monetary policy has invariably led to an increase in inflation, which has sometimes been a hidden deliberate policy aim. Regardless of whether it is a good or a bad policy, does the hon. Gentleman expect an upward drift of inflation as the conclusion to the way in which monetary policy is currently being used?

Mr Tyrie: I will not answer that at any length, except to say that I am of course making my points in a personal capacity, because as a Committee we may comment on growth after the autumn statement. Let me also point out that the Governor gave a comprehensive reply to the hon. Gentleman's question when he introduced the second £75 billion tranche of measures. He pointed out that money demand was extremely low at present, and that therefore he thought that the risk of inflation over the next two to three years was extremely low.

Mr Julian Brazier (Canterbury) (Con): Will my hon. Friend give way?

Mr Tyrie: I will give way for a second time. I will adopt the same policy as the right hon. Member for Edinburgh South West, and pick up the maximum injury time.

Mr Brazier: As well as monetary pressure being extremely low at present, some of the larger ticket items such as commercial and domestic property which are outside the usually looked at measures such as CPI and RPI have been going down rather than up.

Mr Tyrie: I broadly agree with that. There is always a problem with measuring inflation—there is always a dispute about exactly how to capture it best—and we will never get it exactly right. I will not go into any further details now, but I agree with the core of what my hon. Friend has said.

Work on both the deficit reduction plan and the recovery plan have been firefighting to deal with our inheritance—less from the right hon. Member for Edinburgh South West than from his predecessor, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown). Let me now deal with the third aspect of the growth strategy, which consists of policies to improve the long-run growth rate and long-run economic performance: what the policy wonks call supply-side reform. The coalition's inheritance needed attention in that regard as well.

A few days ago I made a number of proposals for supply-side reform in a pamphlet, and they seemed to make everyone very excited. The Government growth agenda set out in the spring was a start, but, as the Chancellor said in his party conference speech,

> "We need to do more".

In that pamphlet, in a personal capacity, I made a few suggestions. In a nutshell, we need to work much harder to produce a comprehensive strategy embracing tax, reform of the labour markets, financial regulation, energy policy, transport and competition policy. We have been firefighting so far, but now is the time to start developing that longer-term strategy.

It is worth bearing in mind that it took the Thatcher Administration the best part of four years to get round to doing much of this, and I realise that this type of policy is easy to talk about but difficult to deliver. What matters most is that the creative energies of small businesses in our constituencies are released to increase the long-run growth potential of the economy. That is a big reform job. We have to bear in mind all the time that it involves millions of people—small traders and people working in small businesses—and that it is they who will restore the economy to health, not Governments and not Parliament. We need to make it much easier for them. Let us consider just one area: taxation. The Treasury Committee has flagged up some of the—largely inherited—contradictions and inconsistencies in the tax system, and argues that further tax reforms should be based on a few simple and coherent principles: certainty, simplicity, stability and fairness. We are a long way from achieving that in our tax system and there is a lot still to do. Encouragingly, the Chancellor said he strongly supported tax simplification; he has made that point on a number of occasions and he has created the Office of Tax Simplification.

The Chancellor announced in his speech at last week's Conservative party conference that he would push ahead with further labour market reforms, and he has mentioned that again today. Of even greater significance could be the Chancellor's commitment not to push ahead of other European countries on carbon reduction targets. I and many other people have been arguing for that for a long time, all the way back to our deliberations on the Climate Change Act 2008. The rapid pace of carbon reduction will push up business costs and also provoke great controversy, for example in respect of wind farms. Therefore, the Government are right to think again about that policy. It is now crucial that the coming autumn statement gives a decisive push to measures for improving long-run economic performance. It is equally important that that is seen not as a programme for a year, but as a remorseless project for the long term.

For much of the last decade, politicians of both major parties talked as if the economy need no longer be the top priority. For it was an age of abundance: it seemed that we could concentrate on how to spend it and quality-of-life issues. We forgot that most politics is hot air unless the economy can afford to deliver on the promises made by politicians. The complacency about growth that infected both parties encouraged the irresponsible lending and borrowing of the last decade. The electorate have noticed that they were led up the garden path, most notably by the absurd claim that Governments could put an end to boom and bust—so my final point is a presentational one. Politicians and Parliament must demonstrate that the public's No. 1 priority is also their own No. 1 priority. The electorate's No. 1 priority at present is to protect their living standards and their children's prospects.

Mr Deputy Speaker (Mr Nigel Evans): I now have to announce the result of the deferred Division on the question relating to tribunals and inquiries. The Ayes were 309 and the Noes were 20, so the Ayes have it.

[The Division list is published at the end of today's debates.]

3.32 pm

Stewart Hosie (Dundee East) (SNP): This Government's refusal thus far to countenance a plan B will come back to haunt the Chancellor, the Chief Secretary and the Prime Minister. The current plan to remove the entire structural deficit in the fixed time scale of a single Parliament was incredibly risky to start with, and now appears almost impossible. It was dependent on export growth from a strong eurozone, which is not there. To be fair, the overall trade figures are a little better this year: the balance of trade is £9 billion in the red for the first quarter, but in the second quarter it stood at £24 billion in the red, and the aggregate for the first two quarters is almost as much as last year's catastrophic £99 billion deficit in the trade in goods out-turn.

The Government's plan depended on business investment growth of a rather heroic 8% to 11% each and every year, but that is not there either. Indeed, the gross fixed capital investment figures for this year show that investment fell by 2% in the first quarter and is lower than in the same quarter in 2010. Growth is now effectively flatlining, and although borrowing was down between April and August, it is up between August this year and August last year and is forecast to be as much as £46 billion greater. Therefore, something needs to change, not least because according to the National Institute of Economic and Social Research it is likely that the entire consolidation

[Stewart Hosie]

plan will cut almost an entire percentage point off GDP growth this year. It has said that

> "it remains our view that in the short term fiscal policy is too tight, and a modest loosening would improve prospects for output and employment with little or no negative effect on fiscal credibility."

If the Government are concerned, as they would be right to be, about the credibility of their plan and if others are saying that a modest loosening, which would help growth, would have no impact on the credibility of the plan, they should listen, not least because if they do not, the entire deficit reduction strategy is at risk, as the NIESR suggests.

On 2 August, the NIESR said that if things go on as they are:

> "The Chancellor will miss his primary target of balancing the cyclically adjusted current budget by...around 1 per cent of GDP."

Perhaps the Chancellor has listened and perhaps that is what he was alluding to in his statement on 11 August when he said that we should be "realistic" about the dangers in the global economy and "set our expectations accordingly." I pressed him at the time on that and he was not very forthcoming. If he is to change his expectations, he is, as the previous Chancellor said, going to have to change his policy as well.

Richard Graham: The Opposition motion, which the hon. Gentleman presumably supports, focuses very much on a plan for jobs and growth. I would like to share with him some statistics that I found with the help of the Library. They show that between 1997 and 2010, when the shadow Chancellor was the previous Government's chief economic adviser, the number of jobs in business in my constituency shrank by 5,600, or by 13% of the employment work force in the entire constituency. From what I have heard today, plan B really amounts to adding more mortgage costs for families and doing nothing for growth of jobs in the business sector. This Government are doing a lot to help that with structural change. Does he agree?

Stewart Hosie: We believe that there has to be a change because this plan is not working. That will involve: direct capital investment, which we know does work, and I shall come on to that; consumer confidence, which is vital; and access to bank finance. The Labour Opposition's motion is a good tactic to debate this matter and we will back it, because in principle we want to see something done. However, if the hon. Gentleman does not mind, I will concentrate on my proposals.

I have said that there are problems with the Government's plans. This has not just been about the absence of a strong eurozone to export to or of heroic rates of business investment; it has been about the fact that the forecast rates of growth for this and the next years of 2.3%, 2.8%, 2.9%, 2.7% and 2.7%, as set out in the 2010 Budget, will not be achieved. Indeed, Robert Chote, the head of the independent Office for Budget Responsibility, said that even to achieve a 1.7% growth rate now would require

> "quarter-on-quarter growth rates of 1%...and there aren't many people out there expecting that."

I suspect that there are no people in here expecting that.

So the Chancellor needs to stimulate now, and the best way of doing so is through direct capital investment. As we know, the OBR has said that the impact multiplier for this is 1:1. It is the most effective form of stimulus that the Government have and they should use it. It is also the area where the Government can make the most damaging cut. I know that he wants to tell me that they are keeping £2 billion more in direct capital investment than Labour planned, but very large cuts are still being made. It was not just the OBR saying this, as the British Private Equity and Venture Capital Association was doing so too. On 23 September, it cited the OBR's view that

> "boosting capital spending is a far more effective way of boosting GDP than cutting VAT, tweaking welfare entitlements or increasing current spending. In fact, the OBR's multiplier on capital spending is one-for-one...This means that the Government could increase capital spending and still deliver the planned reduction in net debt as a share of GDP."

So again, there is no lack of credibility in changing policy and there is no impact in the planned reduction of net debt as a share of GDP in changing the policy.

The BVCA goes on to say:

> "There are other good reasons for targeting infrastructure. The dramatic cuts to the investment budget that were pushed through last year will weigh substantially on private sector productivity in the years ahead. Capital spending is due to be cut by about a third in cash terms between FY09/10 and FY15/16, implying an even larger real decline."

So if the UK Government really are serious about private sector growth in the medium and long term, they should be very concerned that a body such as the BVCA is prepared to say that cuts now will weigh substantially on private sector productivity in the years ahead. Of course, its key point is not even that. It states that

> "in order to have an immediate impact on activity, the Government would need to start spending money straight away. That could mean dusting off some previously shelved plans, as there is no point in waiting 12 months"—

I think it is right—

> "for any boost to be felt."

That is good advice and I hope the Chancellor is listening.

The Chancellor does not need to focus only on capital investment. He needs to ensure proper access to business finance and that the £75 billion of quantitative and credit easing hits the real economy. Evidence from Japan suggests that bank lending fell during the whole quantitative easing exercise, and evidence here shows that between February 2009 and January 2010, when £200 billion of QE was issued, bank lending fell month on month and has remained below the starting point in every month since. That is extremely damaging. This time, the Chancellor must ensure that that money does not go through a pipe to the banks to pack balance sheets but touches the edges and hits the real economy.

Mr Love: Does not the evidence also show that Project Merlin is failing? Does not the evidence also show that credit easing, although it is sensible in itself, will take a long time to bring in? What we need is a credible policy to finance small business.

Stewart Hosie: That is absolutely right. I heard the Chancellor say this week that he has considered how the Government might fund business investment directly.

There is merit in that. I am prepared to give this term of QE and the credit easing a chance to work, but I tell the Chancellor that if the £75 billion-plus of new electronic money goes to the banks or is used to buy back Government debt and does not hit the real economy, neither the banks nor the Government will be forgiven this time if it fails. Too many businesses are hurting due to a lack of business finance.

David Rutley (Macclesfield) (Con): Will the hon. Gentleman give way?

Stewart Hosie: No, I shall stick to the same adage as everyone else and give way twice.

The third thing that needs to be done is to restore consumer confidence and economic security. Fundamentally, that means keeping people in their jobs, and Government and their agencies remain responsible for plenty of jobs. That means that pay policy in the public sector should bring down the salaries of senior people, bonuses should be removed from senior public servants, there should be temporary pay freezes for those on average incomes, help should be provided for those earning under £21,000 and specialist systems and a working wage should be introduced for those earning least of all. However, it also means delivering a no-compulsory-redundancy policy for staff employed by Government, the NHS and the other public bodies when agreement can be reached. We know that this plan—a mix of direct capital investment, confidence, and improved business finance or taking some of the burden off businesses—can work. We have seen it in Scotland, where even with the unemployment figures published today, unemployment is lower, employment is higher and economic inactivity is lower.

We know that such a mix of activity can work and, of course, it is broadly in line with what Christine Lagarde called for in September, when she said that

> "countries must act now—and act boldly—to steer their economies through this dangerous new phase of the recovery".

It also mirrors her comment in August to the *Financial Times* when she said that

> "short-term measures must be supportive of growth, yet economical in terms of the impact on fiscal sustainability, and can include policies supporting employment creation, advancing planned infrastructure and easing adjustment in housing markets."

There is no reason, other than dogma, not to follow the ideas laid out by those on the Opposition Benches today to kick the economy out of its torpor. I urge the Chancellor to use his autumn statement to do just that. He can call it plan A-plus, he can call it plan B, but he must change, develop and deliver quickly.

3.44 pm

Michael Fallon (Sevenoaks) (Con): I remind the House of my interest recorded in the register.

There is some common ground on both sides of the House. Growth is the key, and although the Government cannot create jobs and businesses, they can set the conditions for sustainable growth through sound money, a fair and competitive tax system, an infrastructure in which businesses can flourish and, above all, keeping control of their side of the economy—the public finances. The previous Government clearly failed to do that. They failed to balance their budget for nine successive years after 2001 and they doubled then redoubled the national debt, leaving us with the largest structural deficit in the G20. Worse still, for the longer term, they left us a rate of growth that simply was not sustainable because it depended on ever-increasing public expenditure—now, I note, more than 50% of GDP for the third year running—on a boom in commercial and residential property prices that simply was not viable in the longer term, and on an over-blown banking and financial sector. We are now dealing with the consequences of the collapse of that sector.

In the end, it was all an illusion. The previous Government created a pyramid of debt and called it investment. They spent all our money on an unreformed public sector without bringing the improvements in productivity that we saw over the same period in the private sector. On the capital side, they spent it on a whole series of expensively engineered, private finance arranged schools, hospitals and the rest. Above all, as was sadly confirmed yet again today, they left us a lost generation of nearly 1 million youngsters under the age of 25 who were under-educated, underskilled and under-equipped for the needs of modern business. That is why I support a Government who are now laying the proper foundations for genuine growth on top of their fiscal consolidation plan by encouraging bank lending, cutting taxes on business and cutting regulation.

I particularly welcome the announcement made by the Chancellor in Manchester, which he repeated today, about reforming the rules regarding employment tribunals, which will make employment easier. That is one reason why I support it—another is because it will reduce the huge cost to business not only of the awards themselves but of the time taken to manage and handle cases that businesses would prefer not to get to tribunal. I also support it because it is fundamentally, as the Chancellor has emphasised this afternoon, a deregulatory measure that recognises the rights of non-workers—those who are currently frozen out of the labour market but would be prepared to work if businesses found it easier to take them on.

Sheila Gilmore (Edinburgh East) (Lab): We are being asked to accept that all small businesses that might take on employees have as their first consideration the possibility of being faced with an industrial tribunal, but, of course, if they are good employers, that is most unlikely to happen. Surely, the fact that they cannot sell their products if there is no demand for them because so many people are unemployed or feel at risk of unemployment, rather than whether they might be faced with an industrial tribunal, is the most important consideration for an employer in deciding whether to take on another employee.

Michael Fallon: Employers in my constituency tell me that they will do almost anything to avoid taking on any single additional member of staff. The hon. Lady has to recognise that the number of cases jumped to a quarter of a million in 2009-10. I welcome the change.

I hope that there might be agreement across the House on my next point. The two things that seem to be missing at the moment in our quest for growth are cash and confidence. I fully support what the Government are doing to encourage bank lending. It beggars belief that there was no agreement in place with the banks to stimulate lending to small businesses before the Merlin agreement was concluded this year. I support that agreement, but I also share the scepticism of the Chancellor

[Michael Fallon]

and the former Chancellor about the stimulus that the first round of quantitative easing may or may not have given to bank lending. The jury seems to be out on that, but what it does seem to have stimulated is inflation. The Bank now admits, I think, that it may have added between 0.75% and 1.5% to consumer price inflation. Two years ago, consumer price inflation was 1.1%, whereas today it is four times that. I hope that the Bank will be mindful, if there is an inflationary effect, that inflation is already higher than we would like. If there is a squeezed middle, inflation is doing quite a bit of the squeezing, and I hope that the Bank will not forget its core task of getting inflation back on target.

In the end, confidence is the key. I hope that the Government will do everything that they can to back the companies that are successful, and to learn from their success.

John Mann: Will the hon. Gentleman give way?

Michael Fallon: I will not, if the hon. Gentleman will excuse me.

I visited a small business in my constituency that I want to tell the House about. It is called Rotosound and—I say this for colleagues who play guitar or other stringed instruments—it is the prime maker of guitar strings. It sells them not only throughout the United Kingdom, but to 60 countries around the world, and it is one of our great success stories. It sold guitar strings that were used by Jimi Hendrix, The Who and many other bands. It sells them to China, which could quite easily make its own guitar strings, probably more cheaply. People in China choose to buy our guitar strings because they are associated with one of our most successful industries—popular music—and because they are British. We need to distil the essence of successful exporters such as that company. The Government need to find the secret of those companies and do everything possible to back more of them if we are to deliver the jobs that our young people need.

It is clear from the debate so far, and certainly from the Chancellor's speech, that only this Government can help to deliver the growth that the economy needs by laying the proper foundations for our fiscal consolidation, so that we get the modern economy that we need growing successfully again.

3.51 pm

Mr George Mudie (Leeds East) (Lab): I am delighted to see the Chancellor still in his place. Oh, he is just going. I have that effect on him. I think he has heard enough in the previous four speeches, three of which were by members of the Treasury Committee—its best members; the rest are coming now. The last four speeches were very thoughtful, in contrast with what happened when the two Front Benchers had a go at one another. The public must see that as the Chamber at its worst; it was described as vaudeville. That is not the fault of the individuals concerned; it is the way this place is.

Following on from the speeches of the Front Benchers were speeches from the former Chancellor, my right hon. Friend the Member for Edinburgh South West (Mr Darling); the Chairman of the Select Committee; the hon. Member for Dundee East (Stewart Hosie), who represents the seat in which I was born; and my good friend from the Treasury Committee, the hon. Member for Sevenoaks (Michael Fallon). They were very good speeches, but that contrasts with what we heard before them, which is sad, in a way.

Two kinds of people watch the parliamentary channel during the day. There are people who will find the Front-Bench speeches lovely, because they are party animals of either party, and they like the cut and thrust, but there are also 100,000-odd additional people who are, or could be, looking at that channel: those who, in the last year—in the last quarter or month—have lost their job. Almost a million youngsters between 16 and 24 are out of work; they could be watching that channel, hoping that they will see that action will be taken to get them a job. They will have been despairing, until the last four speeches.

The hon. Member for Sevenoaks said that he saw some common ground. I think that there is some, inasmuch as whatever the bluster, something is clear after 15 months: cutting the deficit at the speed first suggested, backed up by a lack of a coherent growth policy—there was no growth policy; a document was hatched and brought forward six months later as an autumn statement—meant that the people watching knew that we were going to have a hard time. This debate will be an achievement if there is any acceptance in the Chamber that we cannot do what we have been doing for the past 15 months, but must do something additional—something different—because what we have been doing is not working. There are signs of that. The fact that the Chancellor went to the Bank of England and asked for credit easing to be done through the Bank, which was refused, and the fact that he is now taking the steps to do it himself, is good—

Mr Deputy Speaker (Mr Nigel Evans): Order. Will the hon. Gentleman please make his comments through the Chair?

Mr Mudie: Shall I start again, Mr Deputy Speaker? You have put me off. Can you remind me where I was?

The Chancellor was turned by the Governor, but he was treated very well by the House because he had spent half an hour saying that he would not spend money. He now has the job for the next two months, until the autumn statement, of making a reality of credit easing, which means that because the Governor will not do it from the Bank of England, it will have to be done by the Government through public expenditure. And that, from a man who was saying that there is too much public expenditure and the only way is to cut, is a major achievement and a major philosophical breakthrough.

There are clear signs that the Chancellor realises that he boxed himself in. It was described three or four months ago on a radio programme as flexibility—"I have flexibility in my programmes". That would give him the ability to move off plan A, but it is now clear that he is moving off with a vengeance because he sees the danger. When we in the House speak about growth, that means a lot to politicians, but the ordinary person does not realise that it means their job, the security of their home and their income. If the Chancellor is moving on that, it is very good.

I shall put three suggestions on the table for the Chancellor. First, he could reconsider the disastrous decision to abolish regional development agencies and the disgraceful decision to give the local enterprise partnerships that he set up in their place less money, no staff, no powers, no authority and no influence. They have pulled together in every area in the country schemes that have been presented to Lord Heseltine to filter out and put forward for funding. As only one scheme has come from each area, there is a whole list of good schemes sitting on the table that could be put into operation.

Secondly, when we speak about infrastructure, we invariably go to roads. The key, however, is housing because it triggers so many additional jobs and so much additional expenditure. There is one thing the Chancellor could do without spending any money. I know there is a balance. An average two-bedroom house costs £160,000. To get a mortgage requires a deposit of £32,000. Need we look any further to understand why youngsters are not buying houses? I know we have to protect people from being irresponsible, but such a value-to-loan ratio has knocked house purchase off the table. As we are not building social housing, it is a real block. Perhaps the Chancellor could speak to the Financial Services Authority and to the banks and say, "Ease off and look at each case on its merits."

Finally, during the 1980s recession we had some very good community programmes—youth training schemes and so on. They were sometimes derided but they kept youngsters at work and gave them some self-belief and purpose. Youngsters got up and turned up on time. The schemes prepared them for work and kept them intact as individuals. In Leeds we had 2,500 places and we did enormous work across the city with unemployed people who, to this day, pay tribute to the fact that such schemes kept them going when they would have disintegrated as personalities if they had not had that discipline and chance. I should like the Chancellor to think about those.

3.59 pm

David T. C. Davies (Monmouth) (Con): I confess that as I listened to the shadow Chancellor this afternoon, I almost felt a growing sense of admiration for the sheer effrontery of the man. This man who came to deliver a lesson to the Chancellor was personally responsible for much of the economic mess that the country now finds itself in. He, of course, is no longer in his place, but I wonder whether I might give a quick economic history lesson to those Members on the Opposition Front Bench who have hung around to listen to the debate.

In 1997 this country had a national debt of £350 billion and was basically spending what it earned. By May 2008, well before the collapse of Lehman Brothers and the banking problems, the national debt had already increased to £629 billion and the Government, during the boom times, had run a deficit of around £30 billion a year. I am yet to hear any Opposition Member explain why, when the country was booming, they spent £30 billion a year more than the country was taking in taxes. Once we hit the banking problems, which the previous Government successfully blamed all the economic problems on, the debt skyrocketed to £1 trillion.

Of course, even that is not the full story, because many sensible economists claim that the national debt is at least twice as large, as the figures used do not take into account the PFI contracts used for all the schools and hospitals that the previous Government built but never paid for. It does not take account of the liabilities for organisations such as Railtrack and Metronet, and of course it takes no account of public sector pensions. The reality is that we must now deal with a debt of at least £1 trillion and the deficit of £160 billion that we inherited.

Opposition Members like to blame it all on the banks. "It was all the fault of the wicked bankers", they say. I have done a little checking with the House of Commons Library, and as far as I can ascertain the banks received £100 billion. That money was given out not simply in cash, but in shares and the rest of it, so a lot of it might come back to us. If we take the best-case scenario for the national debt, which is £1 trillion, rather than the £2 trillion suggested by many economists, and the worst-case scenario for the £100 billion that was given to the banks, which is that nothing will come back, even then that money accounts for only 10% of the national debt. What about the other £900 billion? When will the Opposition start accounting for that?

One trillion pounds is a lot of money. I was thinking about it earlier and trying to put it in perspective. If we were to create a graph and used 1 cm to show £1 million, it would have to stretch all the way from here to Highgate cemetery to show the scale of the wanton spending for which Opposition Members are responsible—I do not know whether it is relevant, but that is the burial place of Karl Marx.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I wonder whether the hon. Gentleman knows what the public sector debt was in 1997 and in 2007 before the recession.

David T. C. Davies: Yes, in 1997—

Debbie Abrahams: Does he know what it was as a percentage of GDP?

David T. C. Davies: Has the hon. Lady finished now, and may I continue? I am always fascinated by the fact that comparisons are made between levels of debt as a percentage of GDP. I will certainly give way again if someone can explain why we compare national debt with GDP. Why do we not do what any company would do and compare it with revenue? If we look at a comparison with 2010, when this Government took over and when the national debt was £1 trillion, we will see that the revenue coming in was £520 billion. The country had a national debt that was almost twice the revenue it was taking. Anyone who has run a company—most Opposition Members have not, but I have—will know that any company that found itself in such a situation would be declared bankrupt immediately.

Kwasi Kwarteng: Will my hon. Friend remind the House why the previous Labour Government ran a deficit for nine consecutive years from 2001 to 2010, despite having a boom?

David T. C. Davies: My hon. Friend asks a very good question. They managed to come up with an excuse after 2008, following the collapse of the banks, but as I said earlier, I am yet to hear an answer on why they ran a deficit from 2001 to 2008. Perhaps we will get one later.

[David T. C. Davies]

What I did hear from the shadow Chancellor was some rather mealy-mouthed insults directed towards my right hon. Friend the Chief Secretary to the Treasury, who had a proper job outside politics and Government, as I did, which the shadow Chancellor seems to think is worth mocking him for. My right hon. Friend was not the man who was responsible for the £1 trillion-worth of debt, for selling gold at a fraction of the price, or for running up deficits in boom years. *[Interruption.]* I will not say anything about the euro at the moment, but there are many Labour Members who were urging us to the join the euro during those times and are now trying to give us a lesson in economics. I notice that they have all now gone very quiet.

The reality is that Labour Members never, ever learn their lesson. For them, it is not a case of plan A or plan B; there is only one plan: "Let's tax people as highly as we can, and when we've finished squeezing every penny out of them, we'll borrow more money." They do not remember the words of one Labour Chancellor of the Exchequer during a Labour conference: "Comrades, you may think that we can tax and spend our way out of a recession, but I tell you that is no longer an option." They still have not learned the lesson.

Clement Attlee failed in the 1940s when he tried to build his welfare state on the back of American war loans. There was Harold Wilson in the 1960s telling the public that the pound in their pocket was worth the same when he was rapidly devaluing it. Then there was Jim "Crisis, what crisis?" Callaghan, who, just like his successors, brought the country to the brink of utter bankruptcy, and did not even seem to think that he had done anything wrong. It was 18 years before they got another chance, and they have done exactly the same thing again: tax and spend, borrow and spend, just keep on doing it and do not worry about it.

I am glad that we have a Government who are not going to go for the easy option, which would be to borrow a whole load more money now in the hope of winning an election, which is exactly what Labour Members were doing for a couple of years. We are going to take some tough decisions, and that means getting our books in order. Unlike the shadow Chancellor, I know, having run a small family haulage business, that one cannot carry on spending more money than one gets indefinitely. I welcome the fact that the Chancellor is going to encourage real growth by making it easier for businesses to take people on and not have to worry about employment tribunals, which anyone who has run a small business does worry about all the time because of the number of spurious claims.

John Mann: Rubbish!

David T. C. Davies: I wonder whether the hon. Gentleman has ever had any experience of running a business or dealing with spurious employment tribunals—I very much doubt it.

I am also glad that the Chancellor has recognised that reducing our carbon emissions at a time when the economy is facing problems is not necessarily the wisest thing to do, particularly when the Government are now having to accept that our winters are getting colder, that more people are dying through cold than through heat, and that the link between carbon dioxide and global warming is not quite as clear-cut as many people say.

John Mann *rose—*

David T. C. Davies: I will not give way again, because I have done so twice and I do not want to cut myself off.

I congratulate the Chancellor and all his colleagues in the Conservative and Liberal Democrat parties and urge them to stay the course, to ensure that we spend what we earn, and not to listen to Labour Members or take any notice of people such as the former Prime Minister. Even he did not seem to know the difference between debt and deficit, because anyone who looks at the YouTube video of him abusing Mrs Duffy and calling her a bigot will notice that halfway through he said, "We will cut the debt in half." Did he not know the difference between debt and deficit, or was he planning much deeper cuts than the coalition Government? Perhaps someone will answer that question.

All Back Benchers on this side of the House are supportive of the Government because we recognise, as we always have, that it is not possible to carry on spending money that one does not have because that merely creates a bigger problem further down the line for our children. That is why I urge my colleagues to stay the course.

4.8 pm

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): As ever, it gives me great pleasure to follow the hon. Member for Monmouth (David T. C. Davies), who talks about learning lessons. Following the erudite economic contributions that we have heard from many hon. Members, I am going to talk about the real lessons of human life in my constituency.

First, let me give some numbers. Over the past year, claims for jobseeker's allowance in London increased by 10%, compared with the UK as a whole at 8%. Those figures are pretty bad, and today's unemployment statistics underline the general trend. In my constituency, the figure increased by 18%. If one looks more closely, it gets worse. The number of claimants under the age of 24 increased by 18.1% in the past year, and for someone who is over 50 the outlook is bleak. The increase in the number of claimants in that group was 29.2%. That is right—nearly a third more over-50s are seeking work than a year ago.

I will focus on people and their lives, and on the families who are affected by this Government's policies. About one in three residents in the borough of Hackney, which I represent with my hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott), are under the age of 24. Therefore, as well as the percentage increases, a significant number of young people in both constituencies are affected by the Government's reckless programme.

Andrew Bridgen (North West Leicestershire) (Con): Will the hon. Lady explain how abandoning our deficit reduction plans, losing our triple A credit rating, and forcing up interest rates to UK plc, homeowners and business will lower unemployment?

Meg Hillier: That question demonstrates the detachment of this Government and their Back Benchers from the reality of human lives. If the hon. Gentleman will let me develop my argument, I will point out that there are real challenges for people. There is an alternative plan, which my right hon. Friend the shadow Chancellor and his colleagues have laid out, and I back it.

I have met young people who have already been made redundant in their early 20s and others who have done everything that the Government have asked of them, such as working hard at school. Our borough has seen huge improvements in schools and education, and its results are improving. Our young people are increasingly going to university, which was pie in the sky for many young people when I was first selected for my seat. And still, there are no jobs. We risk having a lost generation, although not like the lost generation that the hon. Member for Sevenoaks (Michael Fallon) spoke about, because we made great strides in government, although there is still more to do on skills. We risk a lost generation of young people who have achieved a lot and still cannot get a job.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Does my hon. Friend agree that one of the most alarming consequences of the Government's economic policies for those of us in inner-city communities is how hard the cuts hit the public sector and women workers in the public sector? Particularly in inner-city London, disproportionate numbers of public sector workers are black and minority ethnic, and there are no private sector jobs for them to go into. Those people are often the head of their household and the only earner in their household. They are the sacrifices of this misconceived economic policy.

Meg Hillier: I could not put it better than my hon. Friend and I will not try. She is absolutely right.

Young people who have never worked are now desperately seeking even unpaid work experience. What have this Government done in response? They have cut the future jobs fund so that there is no more chance of employment and no more try-before-you-buy for employers. They have cut education maintenance allowance and increased student tuition fees. Just as young people in Hackney are emerging from school, ready and qualified for university, they are losing the help that they had.

The cuts programme is so deep and so fast that it gives no hope. It does exactly what my hon. Friend the Member for Hackney North and Stoke Newington said: it cuts the jobs that were providing for so many households in my constituency and keeping our local economy going.

Although the Chancellor is not in his seat, let me tell him about real people. Last week, I met a 16-year-old who said to me, "I really want a Saturday job because I want to grow from a boy into a man and this will help me." He also told me that he wants and needs to contribute to his household's increasingly squeezed income. He is losing the education maintenance allowance that he would have been entitled to and he is very worried.

There is the sixth-former who used her education maintenance allowance to top up the family's electricity key on a Thursday so that she could keep the lights and heating on until the end of the week for the basics of study and existence. There is the teenager who attended school on alternate days because he and his brother had to share a pair of school trousers. Thanks to EMA, he is now at university, where he has escaped from his chaotic family background and is ready to succeed. I hope that there will be a job for him when he leaves.

There is the woman who is working to bring up her children and is using an expensive prepay meter key.

Kwasi Kwarteng: Will the hon. Lady give way?

Meg Hillier: I am afraid that I will not.

That woman told me that she uses the prepay meter key because of her fear of a large quarterly bill at the end of the autumn, even though she knows that it costs more. She is doing what the Government tell her to do. She is a single parent with four children who is working to support her family, but she lives in fear of the bills every day. There is the man who came to my surgery on Monday. He has a job offer, but he faces the choice between a job and a home because of the Government's short-sighted approach to housing benefit.

Where are the private sector jobs? In my constituency and that of my hon. Friend the Member for Hackney North and Stoke Newington, most small businesses employ fewer than six people and they are struggling. I have been up and down my high street many times since the events of 8 August, but it is not just those events that have caused problems. Businesses are struggling with footfall and because people do not have disposable income to spend. They are worried about what will be down the road.

The Federation of Small Businesses has been very critical of the Government's approach, as my right hon. Friend the Member for Morley and Outwood (Ed Balls) indicated. Businesses on the high street need quantitative easing, including those that are being incubated by entrepreneurs in my constituency. The Prime Minister is very fond of talking about creating a silicon valley when it suits him, but those high-street businesses are exactly the sort that could be creating jobs for young and older people in my constituency. However, they risk being throttled at birth, or if they do survive—I wish them well and hope they do—they risk not growing at the rate that they could with the right support from Government.

Richard Fuller: Will the hon. Lady give way?

Meg Hillier: I am afraid I will not.

Families are being squeezed. Prices are going up, with food prices having increased by 6.1% in the past year. For those who drive, petrol has gone up. Energy prices have gone up, VAT is at 20% and we are seeing a huge hike in fare prices thanks to the Tory Mayor of London. If people have a job, they are worried that they will not have it in future, and they are worried because they will not be getting pay rises. Families in my constituency have nowhere to go to get the extra money: not for them the easy credit that is available to many or the bank overdraft that is available at the end of a phone call; not for them the rich family member who can help them out or a cushion that they have saved over years of work, because they have been living a difficult existence as it is and are now squeezing until the pips squeak. They cannot squeeze any more out of their household budgets.

This Government are cutting too far, too fast, and it is not working for families, for young people or for businesses. It is not working at all, nor, sadly, are far too many of my constituents.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. This debate is very popular and I want to accommodate as many Members as I possibly can, so the time limit is being reduced to six minutes, with the usual injury time for two interventions.

4.16 pm

Jake Berry (Rossendale and Darwen) (Con): I am delighted to see that the reshuffle of the shadow Cabinet has had a real effect on its sense of humour. Government Members are of course used to the fake outrage all the time, but the terms of the motion suggest that the Opposition seem to have discovered irony.

I will not support the motion, because it demonstrates the Opposition's fundamental failure to have any credible economic policy whatever. This five-point plan is a nationalised Ponzi scheme on steroids. Even in itself it would add £3.1 billion to our deficit. The Opposition probably do not understand what a Ponzi scheme is, but they should look at their own manifesto. People in my constituency do not believe that the way out of debt is to take on more debt. They do not believe that the way to reduce their personal liability is to spend more money.

Alison McGovern: The hon. Gentleman is incorrect, because if there were investment it would not be a fake Ponzi scheme—the assets would be real, unlike in an actual Ponzi scheme.

Jake Berry: I never said it was a fake Ponzi scheme, I said it was a real Ponzi scheme. That is the basis of the Opposition's entire policy.

The markets believe in our plan and want us to stick to plan A: actually, so does every hard-working family in my constituency. They are struggling with personal loans and do not want interest rates to go up. Like so many of us, they are struggling with mortgages and cannot afford that to happen. The Prime Minister has offered real leadership throughout this, and the Chancellor of the Exchequer has been honest. That is in stark contrast to the Labour party's constant line of "too far, too fast".

What is the Opposition's alternative? This five-point plan is simply too little, too late. They believe, "Why repay borrowing today when we can have business as usual and bankrupt Britain tomorrow?"

Andrew Bridgen: Does my hon. Friend agree that, like a compulsive gambler believes that one more big bet will solve all his problems, the shadow Chancellor and the Labour party believe that one more credit splurge will get us out of a debt crisis?

Jake Berry: I do, and for all addicts the hardest thing to do is admit that they have a problem. When this Government came to power in May 2010, we admitted that we had a problem with debt. Even if we fall off the wagon temporarily, we know we have that problem and so we get straight back on it. The Labour party has not even admitted it—it thinks it gave us a golden economic inheritance.

Chris Leslie (Nottingham East) (Lab/Co-op): Can the hon. Gentleman tell us by how much unemployment has risen in Rossendale and Darwen in the past 12 months?

Jake Berry: I am sure that the hon. Gentleman will provide me with the figures—

Rachel Reeves (Leeds West) (Lab): Do you not know?

Jake Berry: I do know. However, I can guarantee my constituents one thing, and one thing only: unemployment has not gone up by as much as it would have done if we had had Labour's Ponzi scheme.

Several hon. Members *rose—*

Jake Berry: I am sorry, but I will not give way again because I am running out of time and I have many points to make.

Let us look at the facts. Back in May 2010, when we came to power, we had 0.1% less debt than Greece as a proportion of GDP. Labour Members can criticise us and say that making cuts damages growth, but let us look at their alternative. Their alternative—too little, too late—would mean, as in Greece, a 15% pay cut for every doctor, nurse and policeman, and every public sector worker; and a cut of up to 40% in pensions. That is what too little, too late means.

Emma Reynolds (Wolverhampton North East) (Lab): Will the hon. Gentleman give way?

Jake Berry: I am sorry, but I will not give way. I want to make progress.

The Labour party opposes the Government's public spending cuts, but its alternative—the too little, too late alternative—would mean that our economy, like Greece's, would shrink by 5% this year, and that mortgage rates would rocket. One of the things that Government Members are most proud of is our desire and aspiration to increase the tax threshold to take many of the lowest paid in our society out of tax altogether. Had we followed the too little, too late approach, as Greece did, we would have had to cut our tax-free allowance by 50%.

The Chancellor has been frank about the choppy waters ahead, yet businesses in my constituency of Rossendale and Darwen still strive to succeed. Businesses such as J&J Ormerod, the largest employer in my constituency, B&E Boys, Crown Paints and WEC engineering, are doing their best to manufacture proper products and to rebalance the UK economy, despite tough times. Those businesses know about the Labour party's economic illiteracy. That is why, before the general election, some of them signed a letter opposing Labour's jobs tax. Businesses in my constituency will not forget that the previous Government were the enemy of enterprise and industry, and that Labour is the party of the jobs tax.

Rachel Reeves: Will the hon. Gentleman give way?

Jake Berry: Sorry, I will not.

How ironic it is that the Opposition motion calls for a cut in national insurance. That is too little, too late, and business in my constituency knows that the Labour party is not the solution but, in fact, the problem.

Rachel Reeves: Will the hon. Gentleman give way?

Jake Berry: Sorry, but I will not.

Looking at today's job figures, including the increase in unemployment in my constituency—

Rachel Reeves: The increase was 29.2%.

Jake Berry: The Opposition Front Bencher says from a sedentary position that the increase is 29.2%. I have real sympathy for those experiencing the increase in unemployment. People are facing an unbelievably tough time. These are uncertain times for all of us. However, if we are to have a successful economy in Rossendale and Darwen, and if we are to get people back into work, we must keep low borrowing rates and support the new enterprise zone in Lancashire, which will create jobs. Our manufacturing businesses are not thriving, but they are still growing. Companies such as Linemark in my constituency, which has just won the Queen's award for enterprise, are growing through innovation.

The key to our success in east Lancashire in business, jobs and families is low interest rates, so we must stick to plan A. We must enable jobs and growth in Rossendale and Darwen.

4.25 pm

Ian Mearns (Gateshead) (Lab): In March, the Government launched their much-heralded plan for growth, and in a document signed off by the Business Secretary and the Chancellor of the Exchequer, the foreword read:

> "This Plan for Growth is an urgent call for action. Britain has lost ground in the world's economy, and needs to catch up. If we do not act now, jobs will be lost, our country will become poorer and we will find it difficult to afford the public services we all want. If we do not wake up to the world around us, our standard of living will fall, not rise."

Those are fine words, but the Government's actions since have only inflicted more damage. Since May last year, they have systematically dismantled and reduced the UK economy's capacity. Ideologically driven by a quest to reduce the public sector, they have relentlessly pressed one single policy button—deficit reduction. In the northern region and my constituency, the Government's policy is looking very much like a scorched-earth strategy.

While imposing draconian and disproportionate spending cuts, which this year alone have reduced grants to the 12 local authorities in the north-east of England by an average of £84 per head of population—compared with only £5 per head of population in the 12 least-deprived local authorities in the south of England—the Government have reduced resources for regional development in our region by at least two thirds. Before the election, the Prime Minister identified the northern region, along with Northern Ireland, as an area that would require special support to rebalance its economy—we all know what that "special support" really resembles. From my perspective, it looks like the support given to a hanged man—a rope.

Mrs Jenny Chapman (Darlington) (Lab): I must correct my hon. Friend. The Prime Minister said—on "Newsnight", I think—that the north-east was over-dependent on the public sector and would be hit the hardest.

Ian Mearns: I was being kind to the Prime Minister, but he did actually use the words "rebalance the economy". One North East, the regional development agency set up by the previous Government, is being abolished and replaced by as-yet-unfunded and as-yet-totally-impotent local enterprise partnerships in the north, including in Teesside.

Richard Fuller: The hon. Gentleman says "the Government this" and "the Government that", but if we are talking about jobs, he ought to be talking, as I am sure that he is, to small business owners in his constituency. In those conversations, how many of them have said that they would put at risk low interest rates in this country to pursue some of the policies in the five-point plan, and how many said that they would welcome the job tax that the previous Government said that they would impose on businesses up and down the country?

Ian Mearns: Many of the businesses that I speak to in areas such as the Team Valley trading estate, which employs about 20,000 people in the private sector, complain about the pace and depth of the Government cuts. They are impacting on their order books because many of them provide for the public sector. Unemployment in the region now stands at 142,000, which means that 11.3% of the working population in the north-east are now unemployed. The only conclusion that we can draw from the rationale of the parties in government is that, for them, unemployment in the north-east is a price worth paying.

David Mowat (Warrington South) (Con): The hon. Gentleman is making some powerful points about the north-east and the gap in gross value added per head between it and London and the south-east. However, does he accept that over the past two decades that gap reached its widest in the last year of the previous Government?

Ian Mearns: I was critical, in many respects, of the previous Government's regional development policy, and I admit that I never understood the rationale for spending regional development money in the south-east when it would have been better spent in areas such as the north-east to rebalance the British economy. Having said that, however, I am not going to criticise my colleagues in the south-east—they have voters as well.

The regional growth fund, which stands at only £1.4 billion over three years, is being used to plug the gap left by the RDAs, which helped significantly in areas such as the north-east and collectively had a budget of £1.4 billion every year. In areas such as the north-east of England, the RDAs were vital. So much for the words of the Deputy Prime Minister last June, when he said that the regional growth fund would

> "make a real difference to companies during difficult times."

We have yet to see a single penny of the regional growth fund being spent in any company in the north-east of England. Oh, what it must be like to have responsibility for Government policy without having any real influence over it! The Secretary of State for Communities and Local Government said that he did not want to

> "strangle business with red tape,"

but wanted "urgent action," which was needed to

> "rebuild and rebalance local economies…across the country."

What we are actually seeing in response is the infliction of savage cuts that are sucking money, spending power and potential demand out of the economies of regions such as the north-east.

The north-east is part of England and part of the United Kingdom, but we are being treated disproportionately badly by this Government's economic policies. If they ever get round to paying out money

[Ian Mearns]

from the regional growth fund, we will frankly struggle to notice the impact because of the unemployment that already exists in the north-east after the deficit reduction strategy. The regional growth fund is taking on the appearance of a pathetic fig leaf that cannot hide the stark truth that the Government do not have a real growth strategy for Britain or a region such as the north-east of England. As we know, the local enterprise partnerships have no start-up funding, no core funding, no guaranteed access to the regional growth fund and no new legal powers. The case against the Government's policy in the north has been eloquently set out by the Smith Institute of all people—hardly an organisation renowned for its left-leaning attitudes towards public policy—in its report "Rebalancing the economy: prospects for the North".

The Government's plan is simply not working, but is inflicting enormous damage on the economic capacity of the north. It is stifling and strangling our economy, not rebalancing it. Oblivious to the consequences of their actions, the Government press on blindly with plan A: deficit reduction. Tens of thousands of jobs destroyed, 1 million young people unemployed, the poorest and most vulnerable in our communities paying the most for the cuts—it is quite clear that we are not all in this together. Over the past 17 months the Government have been absolutely clear that deficit reduction has been their priority above all other considerations. Everything that has been said by the Chancellor and his supporters in the Chamber this afternoon adds to the one simple sentence: "It's a price worth paying." To those in the coalition Government, Tory and Lib Dem alike, I ask this. Unemployment of 2.5 million, with 1 million unemployed people under 25—is it a price worth paying? I do not think so.

4.32 pm

Gavin Williamson (South Staffordshire) (Con): It is a pleasure to be able to speak in this debate, but sometimes I listen to Opposition Members and just cannot understand where they have been for the last 10 or 12 years. If my constituents have been listening to some of the Opposition speeches, they will be equally shocked. They will remember a Chancellor who once used to speak of prudence and financial stability creating an economy where the books were balanced. Well, prudence was jettisoned a long time ago and it is certainly not a friend of the new shadow Chancellor. Until Opposition Members understand that they have to have a sensible, balanced economic approach, they will never have credibility with the people of South Staffordshire or, I am sure, the people of this country.

We often hear Opposition Members talk of a lost decade of low growth, low employment and low private sector employment. Well, we had a lost decade—a lost 13 years—in the west midlands between 1997 and 2010. You probably often sit there, Mr Deputy Speaker, wondering how many private sector jobs were created in the west midlands between 1998 and 2008. You were probably thinking it was perhaps 250,000—in those halcyon days, when house prices were booming and the economy was growing—but I am afraid to say that you would be wrong if you thought that. If you thought that the figure was 100,000, I am afraid that you would also be wrong. In fact, there was not a single net private sector job created between 1998 and 2008 in the west midlands. We saw a decline of more than 60,000 private sector jobs in the region.

Chris Leslie: Can the hon. Gentleman tell us whether unemployment has risen or fallen in his constituency since he was elected?

Gavin Williamson: The hon. Gentleman makes an interesting point. Between September 2010 and September 2011, 74 additional people became unemployed in my constituency. That is a tragic situation, but this Government are doing something about it. Unlike the previous Government, who did little or nothing for my constituency, this Government are delivering. I will explain how. We are out there creating and delivering jobs, and making things happen in South Staffordshire. Already, thanks to the actions of this Government, we have been able to save 400 jobs there by ensuring that the investment was delivered for Moog, an important employer in my constituency, which is relocating to a new factory on the i54 business park.

What is more, this Government are committed to delivering more jobs, not only in my constituency but right across the west midlands. Through the Government's actions, we have secured an enormous investment of £350 million from Jaguar Land Rover to build a new engine plant on the i54, which has been designated an enterprise zone.

Emma Reynolds: I live about 300 metres from the i54 site. Will the hon. Gentleman admit that, were it not for the Labour Government and the regional development agency, which decontaminated the site, invested in it and made it a strategic site, we would never have had that investment in the first place?

Gavin Williamson: I thank the hon. Lady for making that point, but let me explain something. Having run a manufacturing business for many years before entering the House, I quickly discovered that when considering relocating a factory to a new site, two core ingredients are needed. They are electricity and gas, but no funding had been provided by Advantage West Midlands to install either on that site. If that is far-sighted policy from a regional development agency, I do not think it is particularly great.

The investment from Jaguar Land Rover will create 750 jobs in my constituency and the wider area, as well as many thousands more. This country is now investing in manufacturing again. It is no longer a country with a declining manufacturing base, in which manufacturing declined from 21% to 12% of our gross domestic product. We are now ensuring that that percentage will grow, because that is what we need. I believe that this Government will deliver that.

This is not just about encouraging manufacturing; it is about encouraging the service sector and all the other sectors. We are supporting small businesses as well as big ones. We have already seen a massive increase in the research and development tax credits available to small businesses. I recently visited Squire, the makers of some of the finest padlocks in the country. I suggest that Members purchase one for their garden shed. The R and D tax credits introduced at the last Budget for small and medium-sized enterprises are encouraging businesses such as Squire to invest in research and development and in innovation to provide them with a secure, prosperous and healthy future.

Those are the initiatives that South Staffordshire needs, and that the whole country needs. The Government have a difficult legacy to deal with, thanks to Labour, but they are helping Jaguar Land Rover, Moog and all those other businesses through the creation of enterprise zones and the lowering of corporation tax. They are supporting those businesses at every level, and that is what will deliver growth for this country.

4.40 pm

Sammy Wilson (East Antrim) (DUP): I will not tax your brain, Mr Deputy Speaker, by getting you to guess about job creation or anything like that; I would like to make just a couple of points.

First, I sometimes approach a debate such as this with a degree of unease. There is always a tendency either to pretend that there is no problem because the existing policy has to be defended or else to magnify the existing problems and in doing so to have an impact on confidence. One thing I have found from speaking to business people in Northern Ireland is that although we are going through difficult circumstances, which everyone recognises, there is no point in further impacting on consumer and investment confidence by, through political point scoring, making the situation appear worse. We need to try to avoid that in a debate such as this.

Secondly, I have looked at the statistics on Northern Ireland and found that we have seen no growth in the economy over the past 24 months. We have had an increase in unemployment and, of course, given our heavy dependence on the public sector, the public spending cuts of £4 billion over the next four years—40% of the capital budget—are bound to have a deflating impact on the economy.

In listening to today's debate, to the Chancellor's reaction and to some of the Opposition's proposals, we have to consider whether the rigid battle lines that have been drawn are of benefit to the economy in the long term. I accept what the Chancellor has said today—there is considerable risk in changing position—but any economic strategy is bound to carry risk with it, as it involves trying to project and look into the future on the basis of many different variables, such as how markets will react and what will be the impact of a decision. We do not have perfect knowledge about those things, so sticking rigidly to the current plan carries a risk.

We do not know how the markets are going to react to the increased borrowing that will be required as tax revenues fall and spending on unemployment and other benefits rises. Currently, the markets seem prepared to accept that there might well be an increase in the deficit because of what is happening, but that the Government are still on plan to reduce the deficit. Where is the tipping point when the markets begin to say, "Do we really have a credible plan?" Equally, if we go down the path of increasing spending and reducing taxation, at what stage will the markets say, "You are deviating from the plan"?

One thing that I suppose has come out of the debate so far—at least from the IMF, the OECD and even some of the credit agencies—is an acceptance that there can be some flexibility. Even the Chancellor is beginning to accept that demand in the economy needs to be stimulated. I suppose his attitude and approach to quantitative easing is an indication that he sees demand stimulated by monetary policy but equally that good fiscal policies and ideas may also be considered as a means of trying to stimulate growth. I am not so sure, when I look at what is happening to bank lending in Northern Ireland, that quantitative easing is having an impact. The British Bankers Association has published its quarterly figures. From the last quarter of last year to the second quarter of this year, bank lending to small businesses fell by 30% in Northern Ireland. With the Chancellor telling us that there is sufficient liquidity in the banking system, one has to ask whether simply making money available is going to be the answer.

Some fiscal measures have been suggested here today. It has been suggested that we need not increase spending and reduce taxes to create extra demand. Instead, we could direct extra spending towards the activities that create the biggest multiplier effect—for instance, spending on housing and reductions in VAT, whether for extensions to houses or for the tourist industry. There are measures that do not cost a penny, such as reducing regulation. I welcome the Chancellor's announcement that he will not stick to the carbon reduction targets. As one who voted against the Climate Change Act 2008, I am pleased to observe that some reality is now entering that debate. Why should we impose a 40% increase in energy costs on our industry when that is not being done elsewhere, with the aim of reducing carbon emissions into the atmosphere and thereby somehow or other affecting the climate?

There are many suggestions to be considered. I believe that the Chancellor has more leeway than he claims, and I hope that we shall see some movement as a result of today's debate.

4.46 pm

Kwasi Kwarteng (Spelthorne) (Con): I am grateful for the opportunity to speak in the debate.

I am pleased and interested to learn that the shadow Chancellor recognises that the problem we face is an international problem. He spoke eloquently about the deepening eurozone crisis, and also about the prospects for Greece and Portugal, which frankly are not too good. I am also pleased to speak having heard the speech of the hon. Member for Hackney South and Shoreditch (Meg Hillier), who gave a graphic account of the difficulties that we face from the point of view of her constituents. What we have not heard from the Opposition is an admission that they were in any way responsible for the difficulties that we face today. What we have heard, from Members on both sides of the House, is the expression of a desire for a bipartisan approach and a civilised debate, and I am all for that. However, if we are to understand the challenges that we face today, we must understand how we got into this mess in the first place.

It is true that every country in the OECD and in the economically developed world faces similar challenges, but it is not true that those countries managed their public finances as badly as we did in the years between 1997 and 2010. Let us rehearse some of the facts. We entered this period of our national life with a higher deficit-to-GDP ratio than any other OECD country: 12%, when the German ratio was 3.3%. That was a

[Kwasi Kwarteng]

direct consequence of decisions made by those on the Treasury Bench between 1997 and 2010. As my hon. Friend the Member for Sevenoaks (Michael Fallon) pointed out, the then Government ran a deficit in every year between 2001 and 2010—for nine straight years. Even when the economy was booming, we ran deficits of £30 billion a year in 2002, 2003 and 2004. The shadow Chancellor referred to Lord Keynes—

Emma Reynolds: Will the hon. Gentleman give way?

Kwasi Kwarteng: I should be happy to do so.

Emma Reynolds: I should prefer the hon. Gentleman to speak about debt-to-GDP ratios. Does he accept that on the eve of the world recession we had the second lowest ratio in the G7, second only to Canada's?

Kwasi Kwarteng: What the markets were looking at was the deficit. The hon. Lady may remember what happened to the gilt market as her party's Government were being shunted out. The price of British Government debt rose and yields fell in direct anticipation of Labour leaving power. The markets made their own decision. In the last 18 months, the price of British Government debt—that is, the interest rates that we pay—has fallen. It has managed to remain at the same level, precisely because markets realise that the Chancellor and his team are doing the right thing in tackling the deficit. We have been told repeatedly that if we were to show any relaxation of our deficit reduction programme, the markets would dump our bonds and interest rates would rise, which would cause immense damage to the hon. Lady's constituents as well as mine.

Rachel Reeves: Does the hon. Gentleman accept that before the last general election—between January and May 2010—yields on Government bonds were falling and they have stayed at low rates since the general election? The markets did not know which party would win the election because the campaign was so close. Therefore, the hon. Gentleman cannot argue that those yields were falling in anticipation of an incoming Conservative Government, because nobody knew that.

Kwasi Kwarteng: The yields were not falling in anticipation of a Conservative Government, but they were certainly falling in anticipation of the then Labour Government going out. Markets anticipate events—that is how people make money—and the markets had, in their wisdom, decided that Labour would not be re-elected. I assure the House that if Labour had been re-elected, the markets would have dumped British debt and we would be facing a much tougher interest rate environment than we currently face.

I always enjoy listening to the shadow Chancellor's speeches, as they are very entertaining, and I enjoyed his speech today—I think one Member even mentioned vaudeville, which I think does vaudeville discredit. However, I was staggered by the shadow Chancellor's assertion that the fact that we have low interest rates is somehow a reflection of our having a weak economy. That was an extraordinary claim. People in my constituency are very grateful indeed that we have low interest rates, because that enables them to pay their mortgage liabilities. It seemed extremely arrogant for a supposedly responsible politician to say on the Floor of the House that low interest rates were a bad thing, which was essentially what the shadow Chancellor was arguing. *[Interruption.]* He was suggesting that they were a symptom of a weak economy, which is a bad thing.

On the contrary, however, our low interest rates are a signal that the markets have confidence in this Government. They have absolute belief that the current Government are going to deal with the deficit that was created, almost deliberately, by the Labour Government. We in the House of Commons have to understand why this deficit arose, so we can explain that to the country. It was not just handed down to us by some Moses figure—although the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) probably thinks of himself in that way. It was not handed down from on high; rather, it was created by Governments and by the Members who then sat on the Treasury Bench, and it was created for the simple reason that they, in their arrogance, honestly believed that they had abolished boom and bust. We all remember those statements, and it is an arrogant misrepresentation of the past to suggest that they did not think that. The last Prime Minister believed that he had solved the key economic question of our time, but he was wrong, and it is as a direct consequence of his mistake that our Government have had to introduce the policies we are pursuing.

Many people will ask why we do not have a different plan. They will ask: "Why don't you suddenly borrow and spend more money in the time-honoured Labour fashion?" That would be a road to disaster, however. It would create a massive lack of confidence and lack of credibility in the British Government's programme, leading to the markets dumping our Government debt and our interest rates rising. It would lead to people in our constituencies having to face higher payments every month. They would be squeezed even more if we were not as focused and committed as we are to reducing the deficit.

I have tried to inject some reality into this debate. We have heard consistent denials from Labour Members, and we have heard no admission of guilt or wrongdoing and no ideas as to how we might get out of the situation we are in. We have also heard no real arguments to attempt to explain why what the last Labour Government did was right. Interestingly, no Labour Member has said in this debate, "We did a marvellous job; we gave you a golden inheritance." I would grant them more credit if any of them would be bold enough to stand up and say that, but they will not do so. That is because, as everyone in this country knows, Labour is bereft of ideas, and it would be a disaster if we were ever to leave our future in its hands again.

4.54 pm

Frank Dobson (Holborn and St Pancras) (Lab): I recall taking part in a number of debates on the economy before the general election and saying on several occasions that there were four ways to deal with the deficit: by cutting spending; by increasing taxation; through economic growth, which would be the most important way by far; and through inflation, the method that dare not speak its name. Since then we have seen the cuts, we have seen people losing their jobs and we have seen the economy undermined. The thing to remember is that when someone is thrown out of work we lose the output of their goods and services and, on average, they cost us £12,000 in tax not taken in and benefits paid out. We now have the highest jobless total since the one under the previous Tory Government. Some of us—not just Tories—have memories about what went on before.

Gareth Johnson (Dartford) (Con) *rose—*

Frank Dobson: I am not going to give way to anybody because it takes up time from everybody else's speeches.

VAT has been increased, and that hits the worst-off most. There has also been what is, in effect, a tax increase on everybody who has to commute to work: the massive fare increases that have been pushed through, which are far above the rate of inflation. We have certainly seen inflation. One of the reasons why Governments quite like inflation is that if they borrow £1 and there is 5% inflation, they pay back 95p instead of £1. That is why the Government have not taken any notice of the problems caused by the rate of inflation, but it certainly hits people's pensions and wages.

As for growth, there simply isn't any. Growth is needed both in this country and worldwide. Growth was the theme of the London G20 summit. I know that it is very unfashionable to praise the former Prime Minister, Gordon Brown, but the fact is that at that summit, and in the run-up to it, he did more than anybody in the world to convince all the Governments that they had to start investing more in the world economy. I have heard from someone else that it is Sarkozy's private view that Gordon Brown's intellect and drive—

Mr Deputy Speaker (Mr Nigel Evans): Order. The right hon. Gentleman should refer to the former Prime Minister by his constituency.

Frank Dobson: I am sorry, Mr Deputy Speaker. It is Sarkozy's view that it was the intellect and drive of my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown) that virtually saved the world from a total disastrous slump.

Since then, the new UK Government have joined the backsliders; they are not going for growth, either here or worldwide. They have let the bankers and speculators back in charge, blaming public spending everywhere in the world and blaming public services for what has gone wrong. This Government have been delighted to wheel on witnesses defending their policy, but I ask people to look at who these famous witnesses are. They are the bankers, the financiers and the speculators—the people who caused the worldwide problem in the first place.

About two days before its recent unfortunate fraud case, a very distinguished person from UBS said that we needed austerity for all and then everything would be okay. Unfortunately, the interviewer did not ask, "Are you one of the people who lost £44 billion in the crash?" A couple of days later, someone from Citigroup was advocating austerity for all. Unfortunately, the interviewer did not say, "You are from the company that lost £60 billion in the crash. Why should we take a shred of notice of someone with your track record?" Then, my favourite, Ernst and Young, said that we needed austerity for all, but never mentioned being the auditors of Lehman Brothers. One would think that a period of silence—a decade of silence—would have been appropriate.

Frankly, we have seen that the bankers, financiers and speculators have far too much power in this world. We have the Alice in Wonderland situation where the banks cause a recession; the Greek economy declines; the banks in effect charge the Greeks exorbitant rates of interest; the banks, who created the crisis, then threaten the ability of the Greeks to pay them back, meaning that the Greeks might default; and, if the Greeks default, the banks default. The banks start it off, and in the end might default—and what happens? They do not rely on the private sector or market forces. They come grovelling to taxpayers all over Europe to ask them to bail them out of their stupidity—for that is what their policies are. We hear about social security scroungers, but the worst social security scrounger in the world does not compare to the scrounging banks when they get things wrong.

5 pm

Sajid Javid (Bromsgrove) (Con): It is always a pleasure to follow the right hon. Member for Holborn and St Pancras (Frank Dobson). Before I begin, may I, too, congratulate the hon. Member for Leeds West (Rachel Reeves) on her promotion?

I am glad that the right hon. Member for Holborn and St Pancras mentioned Alice in Wonderland, because that is exactly where Labour is. What we have heard from the shadow Chancellor today suggests that it believes that we can solve a debt crisis by taking on more debt. Let us remind ourselves of the position that this country was in when the Government changed 18 months ago. We had a national debt of £940 billion, up from £350 billion when the Labour Government entered power.

The hon. Member for Wolverhampton North East (Emma Reynolds) mentioned the debt to GDP ratio, and in terms of net debt that is at 62% today. She is right that it was lower—it gradually went up as the previous Government came to their end—but she missed out the fact that the markets do not just look at the official national debt but take into account the unofficial national debt. The good thing is that now this Government are in power we have started to have a transparent process to assess what that debt is. Before the market was all based on estimates.

I can tell the hon. Lady that the £940 billion is not even half the story. In fact, it is one third of the story because it represents one third of the total national debt of this country. The whole of Government accounts published in July by the independent Office for Budget Responsibility said that the public pension liability of the UK is £1,100 billion. PFI liabilities increased tenfold over the 13 years of the previous Government to £40 billion according to the OBR. The Office for National Statistics reported in the summer that the cost of financial interventions because of the bank bail-outs is £1,300 billion of additional debt. If we add all those numbers up, they come to £3,380 billion—a mind-boggling number equal to 225% of GDP.

Let us look at the five-point scam suggested by the shadow Chancellor. Four of those five policies would lead to a direct increase in our debt and one, the bankers' bonus tax, would raise less than the levy that the Government have already imposed. I spent 20 years trading Government bonds. I advised Mexico, Brazil, Indonesia, Russia and Argentina when they were at default or close to default and I can tell anyone who

[Sajid Javid]

cares to know that the way out of a debt crisis is not to borrow more money. Investors have a choice. They do not have to buy anyone's bonds. They can look at any country or corporation in the world and there is no way to force those bonds down their throat. That was exactly the point we had reached before the last election and if the Government had not changed, we could very well have been in the same predicament as countries such as Greece, Portugal, Ireland and Iceland.

It is not just our triple A rating that shows that the Government's policy in dealing with the debt is the right one. It is not just the gilt deals, as my hon. Friend the Member for Spelthorne (Kwasi Kwarteng) mentioned, although our 10-year gilt yield is at 2.6%.

Andrew Bridgen: My hon. Friend might recall that the previous Government created £200 billion-worth of quantitative easing just prior to the general election. However, that money was not pumped into the banking market to give liquidity—98% of it was used to buy Government debt because nobody else wanted to buy it at that stage.

Sajid Javid: I quite agree with my hon. Friend. The 10-year gilt yield today is 2.6%—one of the lowest we have ever had in our history—versus 3.8% when this Government came to power. That number is not just important to the financial markets: it makes a big difference to the amount of money this Government have to spend on servicing our national debt, to the amount that corporations have to spend when they borrow and then invest, and to the amount that ordinary households need to spend on things such as their mortgages. It makes a real difference to the cost of living.

Let us consider another indicator. I always like to look at the credit default swap spread, which is the amount that the markets charge for insurance against a potential sovereign default. Today, Britain has, for the first time, the lowest CDS spread of any large European country. According to Bloomberg, of the 157 sovereigns that trade in the CDS market, Britain has the fifth-lowest CDS spread in the world. That, again, is a reflection of the policies of this Government.

I should like to finish by picking up one positive point that the shadow Chancellor made to his party conference, which was the only thing I heard with which I agreed. He said

> "we will set out for our manifesto tough fiscal rules that the next Labour government will have to stick to".

I am glad that he has recognised the need for tough fiscal rules that are independently monitored by the Office for Budget Responsibility, as that is exactly what I suggested in a private Member's Bill in July, the National Debt Cap Bill, which will have its Second Reading on 20 January 2012.

My proposal is that we should have an independent, tough cap on the net outstanding national debt as a proportion of GDP, monitored by the OBR. That would not be a magic bullet for dealing with potential future debt problems, but it would force the House to have a national conversation every time any Government wanted to increase debt beyond a certain point. If they had a good reason for doing that, the House could support them and Members might have an opportunity to discuss the issue with their constituents. If the House did not accept the Government's reasons, it could prevent our country from becoming more indebted. I say to the shadow Chancellor that there is no point waiting for the next Labour manifesto because there may not be another Labour Government—at least, not any time soon. It would be far better for him to take action now, put his money where his mouth is and support my Bill, which is coming to the House in just a few months.

In conclusion, there is nothing in the motion that would help to generate investment and create jobs. In fact, if it were implemented in any form, it would destroy jobs. I urge the House to vote against it.

5.7 pm

Sir Stuart Bell (Middlesbrough) (Lab): I am grateful for the opportunity to follow the hon. Member for Bromsgrove (Sajid Javid), who has real knowledge and experience of the bond markets, as he has revealed today. He obviously knows a lot about the ratings agencies and he has a Bill before the House on debt ceilings. He is also an expert on credit default swaps. I share his great enthusiasm for that, but he will have to explain, on the basis of what he has said and what the Government's policy is, why, if this is about deficit reduction and debt reduction, £46 billion more is going to have to be borrowed and spent in the next few years to cover their policies.

I want to mention Teesside because we have had the good news in the past few days that the insurance company, AXA, proposes to create 450 jobs in Middlesbrough, adding to the 300 staff it employs at Teesdale in Stockton. A great deal of comment—indeed, criticism, I would say—has come from my hon. Friends the Members for Leeds East (Mr Mudie) and for Gateshead (Ian Mearns) about the creation of enterprise zones and about the regional growth fund. In all my years in the House of Commons, I have had to deal with the Government of the day and although we might have liked to keep the regional development agencies, the reality is that we now have enterprise zones and the regional growth fund. We on Teesside have benefited from the regional growth fund and we also have an enterprise zone that we worked very hard to achieve—and now we will work very hard with the Government. There is also the good news that 1,000 staff are being taken on at the former Teesside Cast Products plant, with 100 already beginning the induction programme.

The Prime Minister, in Question Time today, ventured to say, in his feisty exchange with the Leader of the Opposition, that 300,000 new apprenticeships had been created in our country. I visited Carillion in my constituency last week to see the sterling work that it does in training apprentices in the real-life work of bricklaying, concrete mixing, pneumatic drilling, and other such skilled tasks. That is the kind of work that we see being done across the land on rainy and windy days—precisely the conditions under which those young men were working. Those young apprentices are a credit to themselves and to their future. I welcome the Prime Minister's comments on the apprenticeship scheme.

If we take an overall look at what the Government are doing, we find the law of unforeseen consequences. There is a lack of compatibility in their objectives. Unemployment rises, so benefits have to rise. Benefits have gone up by £12 billion. We have heard a lot about the Welfare Reform Bill; the Prime Minister referred at Question Time to universal credit, and the Chancellor referred to the Bill today; he said that our amendments to it would add to the deficit. Of course, amendments can be reasoned, substantive or probing. Until we see them when they come before the House and know how we will vote, they have no great significance.

We see in our country, and we saw in Greece, that a too-rapid deficit reduction will lead to reduced growth. The classic example of Greece, to which my right hon. Friend the Member for Edinburgh South West (Mr Darling) referred, shows that if deficit reduction is too steep, there will be zero growth. That is the situation in our country: we have been reducing far too quickly. We talk as though my right hon. Friend never had a deficit reduction programme. We had one: we would have reduced the deficit by half over four years—a policy that even Mervyn King supported before the Government changed; then he changed to a different policy.

We were compared with Greece, which I always find very offensive to the Greeks, never mind to ourselves. The fifth largest economy in the world was being compared with a nation state of 12 million people in the Mediterranean—a state that cheated on its accounts with the European Union. Not only was that comparison offensive, but it distorted our country's entire policy on deficit reduction.

Kwasi Kwarteng: Will the hon. Gentleman give way?

Sir Stuart Bell: I am not giving way; it is too late in the day. The unforeseen consequence of a too-rapid reduction in the deficit and no growth is that confidence has gone from our system. The hon. Member for Sevenoaks (Michael Fallon) referred to that. We have lost confidence. We say that we have the confidence of the markets, and of course we do; why would we not? We do not have the confidence of the people—of those trying to find jobs, of the young who have lost their jobs, and of other unemployed people. We do not have the confidence of the ordinary person in the street, who looks at the Government and sees the failure of their policies, so I would be cautious if I were a Government Member.

I come back to a statement made by my right hon. Friend the Member for Edinburgh South West, and I invite the House to remember it. There will be a change in policy. It will not be plan B or plan C. It will come in the autumn statement or the next Budget. The policy needs to change if we are to get growth. There is no future in a steep deficit reduction that will never lead to growth—not now, and not in the future.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. To assist in enabling a greater number of Members to take part in the debate, the time limit is reduced to five minutes.

5.14 pm

Guto Bebb (Aberconwy) (Con): I hope that the five-minute time limit was not brought in because I was the next speaker. It is a pleasure to follow the considered comments of the hon. Member for Middlesbrough (Sir Stuart Bell). In particular, I welcome his comments about enterprise zones, which were also mentioned by my hon. Friend the Member for South Staffordshire (Gavin Williamson). The Jaguar Land Rover investment that he mentioned was bid for by Wales, too. It is a great shame that, as Tim Williams from the Welsh Automotive Forum stated, one reason why Wales lost out on that investment was the foot-dragging of the Labour Welsh Assembly Government, who refused to implement the enterprise zone process in Wales because it was a Westminster Government proposal.

The comments of the hon. Member for Middlesbrough were much more positive and balanced than those of the right hon. Member for Holborn and St Pancras (Frank Dobson), who decided to attack the credibility of bankers. He might be right, but when one is making a point in the House about the credibility of individuals, one should ask about the credibility of the shadow Chancellor, who advised the former Prime Minister to sell our gold reserves at a very low price. If we want to talk about credibility, we should remember the actions of Members on our own side as well.

This debate is about jobs and growth. I represent a constituency in north Wales where we have a significant small business community. That means that we have a lower dependency on public sector jobs in the Aberconwy constituency than in most of north Wales and most of Wales. That is not to say that the public sector is not important. I regret every single job lost in the public sector, but we have to acknowledge the fact that we must live within our means. The small business community in my part of north Wales has broadly welcomed the actions of the coalition Government. It has seen a credible approach to reducing debt, dealing with the financial crisis that we are facing, and creating a stable economic environment that will allow it to invest and create real employment opportunities for the people I represent.

However, in the context of the debate it is important to point out that there are issues that cause concern for small businesses. When I mention small businesses, I am talking about what most Members would describe as micro-businesses. In the 1980s, when we saw Wales recover so dramatically from the loss of the heavy industries, that recovery was based on the fact that Wales created more new businesses than any other part of the United Kingdom. I am certain that there are businesses in Wales that are willing to take that challenge forward, but there are issues that we need to deal with.

Those issues might not look very important to people dealing with swaps in the market in London and so forth. For example, one of the issues that small businesses in the tourism sector in my constituency resent is the VAT threshold. Most people would say, "What's he going on about?", but the VAT threshold is a barrier to growth. Someone setting up a small business in the tourism sector reaches a turnover level of £73,000 and faces a cliff edge—the fact that if they go on to turn over more than £73,000 a year, they are penalised by the system. Anyone who visited Llandudno this week would see cafes that have closed for the winter, bed and breakfast businesses—

Mel Stride (Central Devon) (Con): My hon. Friend is making a powerful point about VAT and tourism. Does he accept that it is wrong that our tourist businesses, particularly those offering accommodation, are handicapped because VAT rates are higher in this country than in many of our continental competitors?

Guto Bebb: I am grateful for that intervention. It is my next point.

Let me finish on the subject of the threshold. When small businesses hit a turnover of £70,000, they are about to reach the point where they need to start employing staff. A system that penalises growth is something that we need to re-examine. I know that we have to do so in the context of the current financial situation, but small businesses in my constituency would be delighted if we could do something about the VAT threshold.

On the tourism sector, I am told I have more hotel beds in my constituency than the rest of Wales put together, so I am occasionally accused of pleading on behalf of the tourism sector when I say that it is a real concern that VAT rates on hotel bedrooms, for example, are being reduced to 7% or 6% in other parts of Europe, such as Ireland, Germany and France, yet in Wales we still have a 20% VAT rate. I have spoken with members of the Government about this and I have been told that we need to provide proof that a reduction in the VAT rate in the tourism sector would be beneficial.

A report that I have obtained from Deloitte indicates that if, for example, the VAT rate on hotel bedrooms was reduced from 20% to 5%, there would be an immediate cost of about £1.2 billion in the short term, but over the period of a Parliament, there would be a net benefit of £2.4 billion to the UK economy. When we recall that the Prime Minister stated that tourism should be a driver for growth in our economy and that tourism is a sector that employs people on a very large scale, we need to consider that. I would be grateful if we could receive some comment from the Treasury in due course on the issue and the need to examine it.

Finally, in the spirit of cross-party co-operation, which some Members have mentioned, the fact that Labour Front Benchers have decided to take on board the concerns of the construction sector is not a reason to dismiss the option of changing the rate of VAT charged on work to existing buildings. Many small construction companies argue that the current situation, in which there is a zero rate of VAT on new build but a 20% rate on refurbishment, is an anomaly that we must look at. There are figures that indicate that reducing VAT on refurbishment would be economically beneficial, and the fact that the Labour party has adopted it is not a reason to say no.

5.20 pm

Emma Reynolds (Wolverhampton North East) (Lab): It is a great pleasure to speak in this debate. Today's shocking unemployment figures are only the latest confirmation that the Government's economic policy is in tatters. When they came to power last May, the economy was growing and unemployment was falling. Only 16 months later there is a growth crisis in our country. Growth is flatlining. Unemployment is rising and is at its highest level since 1994. Youth unemployment is rising and is at its highest level since records began. Women's unemployment is rising and is at its highest level since 1988. In my constituency the claimant rate has increased by 10% over the past year and we have an unemployment rate that is double the national average.

What do the Government say? They try to blame the eurozone. That is a completely fatuous claim, because unemployment in the eurozone and in the US is falling. The fatuous comparison with Greece really makes me angry, because Greece's debt-to-GDP ratio has been double ours for quite some time and over 100% since the early '90s. The truth is that the Government's economic policy is politically motivated. Let us face it: the Chancellor is their chief political strategist and his calculation last year was to get the pain out of the way early in this Parliament so that he could offer some sweeteners towards the end, when the economy will hopefully be growing again, so that they can try to win a majority and will not have to tolerate the Lib Dems in government. Their plan is hurting, but it is not working.

The Government's political motivation and their ideological commitment to a much smaller state is blinding them to the reality that their policies are actually making it more difficult to cut the deficit. They are now set to borrow £46 billion more than they planned. They have created a vicious circle, with massive public sector job cuts, fewer people paying taxes, more people claiming jobseeker's allowance, less revenue in Government coffers and therefore higher than expected borrowing. They should face up to the fact that these deep cuts are self-defeating.

It is not just the Labour party that is telling the Government that their economic policy is dangerously wrong. Businesses, commentators and economists are lining up to urge them to develop a credible plan for growth. Even the Conservative Chair of the Treasury Committee, the hon. Member for Chichester (Mr Tyrie), who is not in his place, has criticised the Government for lacking a growth plan. He recently said that the

"piecemeal policies for growth need radical improvement. In places it is inconsistent, even incoherent."

In fact, the Tory leadership was so worried about his forthright opinions that he was literally bundled into a private room for a quiet chat after the Prime Minister's speech to his party conference. The Chancellor's good friend, the managing director of the International Monetary Fund, Christine Lagarde, has also warned that the Government should be prepared to change course if the economy is headed for weak growth and high unemployment. Surely that is exactly where we are now.

Jim Shannon (Strangford) (DUP): The Opposition's motion recognises the need for a one-year cut in VAT on home improvements. Does the hon. Lady feel that such an initiative, by its own nature, will motivate the construction industry, give opportunities to apprentices in particular and ensure that the economy grows, rather than stagnates?

Emma Reynolds: I could not agree more, and I was just moving on to the interdependence between the public and private sectors, which the Government seem to be totally unaware of. According to an independent study, at least 2.3 million private sector jobs are now at risk from public spending cuts. Some parts of the country are being hit harder than others. Oxford Economics forecasts that in the west midlands, between 2010 and 2016, 310,000 jobs are at risk in private sector firms that are directly or indirectly reliant on public sector spending. That is on top of a net loss of 50,000 public sector jobs across the west midlands.

The victims of this Government's policy are mostly the young and women. Young people are the future of our country. For the first time in decades, parents are pessimistic about their children's futures, wanting them to do better than they did but fearing that their opportunities will be worse than their own.

It is time for the Chancellor to put aside his original political strategy of getting the pain in early in this Parliament and admit that his economic plan is not working. He needs to change direction. There is an alternative. Of course we need to reduce the deficit, but with deep and fast cuts, his plan is not working. Without economic growth, it will not be possible to bring the deficit down.

5.25 pm

Elizabeth Truss (South West Norfolk) (Con): We have heard eloquent speeches about the western debt crisis, but underlying that we have a competitiveness crisis, because the west has built up debt while the east has saved, and there is a gross imbalance.

The legacy of 13 years of Labour Government is one of red tape, meddling and taxation. We are now 83rd in the world for our burden of regulation and 94th for our burden of taxation. We are 28th in terms of infrastructure. In maths, we are 28th, and in science, we are 16th. We have the highest child care costs in the world. Labour made the labour market much more inflexible and made life much more difficult for working parents. In 1997, there were 100,000 child minders in the market; by 2010, that figure had reduced to 55,000 because of the burden of regulation on the sector. Child minders were the cheapest and most flexible way of providing child care. A lot of people have struggled to get child care because of the costs that Labour imposed on the market.

In education, we saw a denigration of traditional subjects such as maths, science and languages. Whereas those in the rest of the world were encouraging students to do those subjects, in Britain the numbers dropped, as did the quality. We have the lowest proportion of 16 to 18-year-olds studying maths in the OECD. Labour Members have talked about youth unemployment, but what about their appalling record in education, which means that many of our young people have left school without the skills they need to work in today's workplace? Many employers care most about languages, yet the proportion of those studying languages at GCSE dropped from 79% to 44%. The shadow Chancellor used to be the Education Secretary; he did nothing in that job to improve the skills of young people.

Then we move on to infrastructure. Huge amounts of money were wasted on wasteful schemes such as Building Schools for the Future. Meanwhile, in 1997 Labour cancelled the road building programme, leaving roads such as the A11 undualled and the economies of counties such as Norfolk held back. Luckily we have a new Government who are putting in that infrastructure, and that work is starting next week.

The Opposition talk about living standards, but how are we to get our living standards up if we cannot produce goods competitively with the rest of the world? At the moment, we are buying more goods and services from those in the rest of the world than they are buying from us. That is a legacy of the previous Government's supply-side policies.

What do we need to do? First, we need to reduce regulation. The Chancellor is absolutely right about lengthening the period for applying for unfair dismissal. We heard nothing from the Opposition about their view of this crucial issue; they have not made up their minds about employment regulation. I want parents, not bureaucrats, to be in charge of systems such as child care. We need to get rid of the bureaucracy that has raised the costs and limited the supply of child care. No new places have been provided since 2005, and that is a Labour party legacy.

We need a massive focus on improving maths and science in our schools. All the leading countries—Germany, Canada and many Asian countries—insist on rigorous subjects until the age of 16, including languages, history and sciences. The Opposition have done nothing but oppose the English baccalaureate that brings those subjects in.

It is going to be a long, hard slog to get our country back on track after the huge misuse of capital, the inflexibility and the regulation of our labour market of the past 13 years, but we must do it. Britain has to stop comparing itself just with other countries in Europe; we have to compare ourselves with rising countries across the world. We have to be humble enough to learn lessons from those countries, rather than just looking over our shoulders.

5.30 pm

Mr Geoffrey Robinson (Coventry North West) (Lab): It is a pleasure to follow the hon. Member for South West Norfolk (Elizabeth Truss). Her points about competitiveness in the long term and the immediate future are valid. However, all of us who have been in industry know without a doubt that long periods of deflation, inactivity, insufficiency of demand and cuts hurt competitiveness. That is the trouble with the Government's policy.

By sleight of hand and cleverness in debate, the Chancellor seems to have turned the debate from being about what the Government's plan originally aimed to do into being about debt and interest rate management. We are all pleased that there has been some success in those areas, but at what cost has that success come? It has come at the cost of missing the central aim of the plan that the Chancellor set out when he came into office in June last year: to reduce the deficit within this Parliament. It is quite obvious that we are not getting anywhere near that. Indeed, every single indicator in the plan is going into reverse and being missed. The unemployment figures that came out today are disastrous and will make the plan cost a lot more. We are overshooting the borrowing requirement, which was meant to be reduced, by £46 billion before we even come on to the increased costs of higher unemployment and the benefits that go with it.

Robert Flello: Will my hon. Friend give way?

Mr Robinson: I will give way in a moment.

Inherent in the plan are further unnecessary deflation and cuts in the economy. The growth plan was essential to the original plan of stabilising and reducing the deficit. I agreed with that entirely, as I am sure did all Members, particularly the Government Members who speak about the private sector. However, it relied on the private sector getting going and increasing investment, output and net exports. Every one of those things is going into reverse.

[Mr Robinson]

After I have given way to my hon. Friend, I will come back to that point and deal with this week's National Institute of Economic and Social Research report.

Robert Flello: My hon. Friend is making a very good point about growth in the private sector. His constituency, like mine, will have businesses that could export because they have order books for three years, but cannot because the banks will not lend them any money to solve their cash-flow issues. They cannot do the work or fulfil their contractual orders because they do not have the working capital to do so due to the nonsense that is going on.

Mr Robinson: I could not agree more with my hon. Friend. I will come to the problem of bank lending towards the end of the few minutes that I have.

To see the central failure of the plan and why it is so obviously not working, one must just look at what the NIESR has said about the progress of manufacturing, on which the plan relies:

> "manufacturing output—the biggest contributor to industrial production—fell for the third month in a row, suggesting the engine of the economic recovery had shifted into reverse."

I do not think that anybody can doubt that. The plan is not working, like it or not. Manufacturing output fell 0.3% between July and August, meaning that it has fallen for three months in a row. At the beginning of this year it was increasing by 6.1%, but that has dropped to 1% on an annual basis. We are looking at a catastrophe.

The Government attempt to blame all this on the previous Labour Government, as if we created the world crisis, which we did not. We have to find a way of yanking them out of that mindset. It is quite clear to anybody looking at the situation as we go into the second year of their plan that they own this economic policy. It is their economic policy and their plan that are on trial, not what the Labour Government did or did not do five, six, seven or eight years ago. It is their plan that is not working. I do not know why everybody on the Government Benches cannot see that that is a simple fact. Whether we did the right thing is totally irrelevant to the present situation. The question is: is the Government's plan working? It is quite clear that it is not. I will willingly give way to the Chief Secretary if he wants to intervene on that point. Realising that, the Government are trying to move the debate to another issue, which is not the central issue.

The Government are also trying to introduce some measures that will help, and they have gone for monetary easing and credit easing. The trouble is, the history of monetary easing does not suggest that it gets into the real economy. Indeed, when the Governor of the Bank of England gave that remarkable interview to two economic journalists following the announcement of the £75 billion increase in monetary easing, he could not say that it would get into the real economy. He said, "That's none of my business," but of course it is. He said, "I will lend it to the banks, what they do with it is up to them." We know as a fact from previous experience that it does not get to the high street or into the real economy. Unless measures are taken to direct that money effectively in some way or another, against the Governor's explicit policy of not interfering in capital markets at all, it will not work. We know that Project Merlin similarly failed.

The Chancellor has now come up with a great plan for credit easing, but who is going to administer it and dress up the bonds involved? Will there be a composite element of different companies? Who will decide who gets the money and who does not? Perhaps the Chief Secretary will enlighten us when he winds up the debate, but there is nothing concrete about the plan. It is just an idea that has been floated, like Merlin or monetary easing. It sounds good—if we could get small companies in my constituency and that of my hon. Friend the Member for Stoke-on-Trent South (Robert Flello) back working with money, it would be great. We would all back it, as we are in principle.

It is no good the Government believing that they cannot embark on capital investment right throughout the economy. Of course the plans will take time to introduce, although if they had been started a year and a half ago, when we pointed out to the Government what they should be doing, they would be ready now. Every time we have gone to the Treasury we have been told, "Oh, that won't have any effect immediately." That argument just puts off the day on which plans are implemented. The Government's plan is not working, and we can put forward plans that would get the country back to work and also help to reduce the deficit much more effectively than the Government's failed plans are.

5.36 pm

David Rutley (Macclesfield) (Con): Thank you, Mr Deputy Speaker, for giving me the chance to speak in this important debate.

Our economy continues to face challenging times, with the crisis in the eurozone and ongoing problems in the global capital markets. The Government's plan for recovery is therefore more important than ever, and entrepreneurs play a vital role in taking it forward. Our everyday entrepreneurs are critical to the agenda of innovation, job creation and economic growth; it is not just down to the Government.

In Macclesfield we have been doing all we can to support our vital small and medium-sized enterprises, with bi-monthly breakfasts at which up to 130 businesses come together to work out what can be done to strengthen the local economy. We also have an economic forum to implement the action plans that are needed, but it is clear that what entrepreneurs in Macclesfield and across the country want is a sound economic framework and sound economic policies to support them in their work.

Sadly, entrepreneurs are living with the legacy of not just the previous Government's deficit but the £90 billion a year cost of new regulations on businesses that have been put in place over the past 13 years. That additional cost makes the difference between profit and loss for small businesses. My hon. Friend the Member for South West Norfolk (Elizabeth Truss) has already pointed out that our regulatory burden puts us 89th out of 139 countries in the perception of the weight of regulation. That has to change.

It is not just domestic regulation that is entangling our entrepreneurs, because the European Union has become a major source of red tape. Since 1997 the EU has produced 100,000 pages of new regulations that tie the hands of our SMEs and damage our economic potential. That must change.

There are several important priorities in building the entrepreneurial economy that Government Members want to see. We want to see a reversal of the regulatory tide, the simplification of UK employment law and the realisation of our SMEs' export potential. The Government are already working very hard in those areas and have introduced a one-in, one-out approach to regulation, which will be vital. We have already seen the removal of 257 regulations in the retail sector alone. The new three-year moratorium on new regulation for the smallest firms will help to protect start-ups during their most vulnerable phase, and the red tape challenge will encourage businesses to identify the regulations that are preventing them from doing the things they need to do. Those are positive steps in stemming the tide of regulation.

In addition, we need to do more to simplify employment law, which, given that job creation is vital to our economic recovery, is a huge priority. As has been said, the Chancellor has done a great job in introducing an extension of the qualification period for unfair dismissal. That is a way of reducing risk for employers when they are taking on new staff, and it has been welcomed by many SME trade bodies.

Another area that needs to be worked on is realising the potential abroad of our entrepreneurial talent. A report by the Select Committee on Business, Innovation and Skills found that only one third of our SMEs are involved in international trade. Germany has a much higher percentage. The role of UK Trade & Investment is vital in that respect. It is extending its reach to more businesses, but when we look at the potential and the entrepreneurial flare of the 5 million SMEs in this country, it is clear that more needs to be done in communicating those great opportunities in overseas markets. We need to do more to help small businesses to do that.

The Government are working to improve the conditions for economic growth, but, as in a human body, not all growth in the economy is good, which the record of the previous Government shows very clearly. We had unprecedented growth in the deficit, the burden of debt and the weight of business regulation. In the good times, they could have created the economic equivalent of an entrepreneurial athlete, but they instead created an economy that was more like a couch potato, bloated on debt and ill prepared for the downturn. We are changing that.

The Government clearly cannot and should not seek to build an entrepreneurial economy by themselves. They are working with small businesses to create the conditions that will unlock the potential of our entrepreneurial, everyday heroes. Our SMEs also have a responsibility in that task. Now is the time for them to demonstrate the same energy, commitment and creativity that is required in the marketplace to help constructively to shape Government policy.

5.41 pm

John Mann (Bassetlaw) (Lab): Having listened for an hour and a half to the two Front Benchers, I suggest that we put them in a ring in Westminster Hall the next time we debate the economy—we could charge the public a little fee, which would be a modest contribution to deficit reduction—and allow the rest of us a little more time to discuss the economy.

First, I want to make some points that might be of particular interest to Labour Front Benchers—I trust that they will be noted in detail. I congratulate Labour Front Benchers on two major changes in the past three weeks. I mentioned the first change earlier—the change of policy on VAT. The previous policy, which I disagreed with in the Chamber, was that the Labour party was in favour of a permanent VAT reduction. Now, the policy is for a temporary reduction—from what the shadow Chancellor said, it appears that there would be a 12-month temporary reduction.

The figures are huge. Just in the next Parliament, that change in policy will mean that £50 billion will be available to a new Labour Government from revenues to the Exchequer. In the context of a snap election, potentially £20 billion extra would go into the Exchequer in the next three years. Those are major sums, and I therefore congratulate Labour Front Benchers on that huge change in policy.

That is not the only change in policy—I would recommend the second policy change to the Government, and I should like to hear in the winding-up speeches whether they are prepared to adopt it. Labour's policy now is that all moneys from the privatisation of the more recently part-nationalised banks will go 100% to offset the debt. That ought explicitly to be the policy of the Government. I trust that they are not thinking of creating youth unemployment now to delay for give-away Budgets just before the election. The electorate, as well as business, will not forgive them for that.

This Government have adopted an economic policy of Japanisation. They are adopting the Japan Government's approach, and anyone who wants to see precisely where they are going needs to look at the economic history of Japan over the past 20 years.

Jacob Rees-Mogg: It is not the Japanese approach. The Japanese Government have enormously increased their national debt, while we are going to reduce it.

John Mann: On inflation and monetary policy, this is precisely the Japanese model, but it does not work, which is why there is already £46 billion in additional debt. The lesson from Japan is that we cannot deal with the debt without growth. That is the lesson that the Government are not listening to. I recommend that Members on both sides of the House read up on the economic history of Japan.

I say to the Labour Front-Bench team that we need to be more specific about the cuts that we would make. I realise that on welfare, for example, we cannot be specific. Like the Government, we are in favour of major change, but we do not know whether that will be successful. The fact is that the state will shrink over the next few Parliaments—there is no other way to pay for our deficit reduction plans or the Government's less coherent plans. We have to pay back the debt. The Government want to pay it all back now, while we are saying, in essence, "No, we wouldn't pay back as much now, but it would be paid back in future years." That is the key difference. Either way, it means that the state will have to shrink in future years, and I can suggest some things that we should be stating.

What about Government Departments? Housing costs nine times as much in London as in Bassetlaw. I am not suggesting that a major Department should move to

[John Mann]

Bassetlaw—although we have the land—but there are Sheffield, Leeds, Nottingham and many other places. Let us see the Department for Culture, Media and Sport shifted to Manchester with the BBC. Let us see the Department for Business, Innovation and Skills shifted. Let us see the Department for Environment, Food and Rural Affairs shifted. Let us see huge Departments, in their entirety, shifted out to the regions of England. That would give a boost to economic growth and bring permanent savings to the Exchequer. That ought to be part of our policy.

There are other smaller things that we could do. What about the British Council? What a nonsense of an organisation to sustain! We could take some of that money and give it to British universities to do English-language training abroad and build their business base in emerging markets. At the same time, that would reduce costs. What about unitary authorities? Of course, many Members, being ex-councillors, do not want to get rid of unitary authorities. What nonsense! There are 27 press officers in Nottinghamshire and 10 chief executives, with head offices all over the place. Scrap them! Scrap large numbers of councils! What about the police? We cannot merge the police, but we can merge their headquarters. We could rationalise NHS buildings across the county. There is a vast array of things that we could do. There are the British Army bases in Germany. We could reduce the size of the base in Cyprus. We should be levying at least 5% on the UK Crown dependencies to which we provide security. We should offer a permanent reduction in national insurance for small businesses to get young people into apprenticeships and back into work.

5.48 pm

Jackie Doyle-Price (Thurrock) (Con): It is a great pleasure to follow the hon. Member for Bassetlaw (John Mann). I was rather shocked to find myself agreeing with a number of his constructive suggestions, which highlights the fact that this debate has been one of contrasts. There have been some very constructive contributions from Members on both sides of the House on how we can do more to encourage growth, but some have been disappointingly partisan. Our constituents expect us to give wise counsel when discussing important issues such as job creation and economic growth, not to engage in party political spats.

I think that we would all agree that the contraction of the economy and the financial crisis were inevitably going to impact on economic growth. The major fault line between the two sides of the House appears to be the role that the Government can play in addressing that. The Opposition keep repeating their call that the Government must slow the rate at which we are cutting, but the irresponsible thing to do was to spend more than the country could afford in the first place. Trying to right that wrong by spending more money that we do not have is not the way to fuel growth. At the heart of the Opposition's motion is the notion that Government spending can pull us out of the recession, but again that is simply not the case. It is time the Labour party learned that it is people and businesses that generate wealth, not the Government. It is our job as a Government to facilitate and enable private businesses, not to try to spend our way out of recession and load those businesses and individual owners with higher tax bills to meet that spending and to service the inevitable debt.

Some Opposition Members have done their best to highlight everything that is ill in the world, but we also have to recognise that a lot is going well in this country. Only last week my right hon. Friend the Secretary of State for Business, Innovation and Skills and the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), the Minister responsible for shipping, came down to the borough of Thurrock to celebrate the investment in Britain's new global shipping port and logistics centre. That investment of more than $1 billion represents the largest job-creation project in this country at present, with the potential to create up to 36,000 jobs in what will be Europe's largest logistics park and, in the short term, 1,000 jobs as the next phase of the project kicks off.

However, the port's contribution to the economy does not end there. Rather, it is a great illustration of how private investment in one place has a positive effect throughout the local economy. Businesses around the region—27 million people will be within half a day of the port—will be able to take advantage of a more cost-effective way of getting goods into and out of the country. The facility will transform our maritime port infrastructure and play a massive role in helping Britain's economy over the coming years. It is a real force for competitiveness and illustrates the impact of good private investment.

That is not the only investment taking place in my area. The port of Tilbury, now in its 125th year, is also investing in expansion. There is also massive investment at Tilbury power station to create the world's largest dedicated biomass power station, which will be contributing to the national grid before the end of the year. Those are just a few examples of how private business is generating the investment that will create more jobs and add more wealth to the bottom line of the UK economy. The answer is not Government spending; it is private sector investment. Those examples show that Britain is open for business and that private sector companies have the confidence to invest in the UK.

When the Opposition highlight what is going wrong, they are talking our economy down. We have a lot to offer in this country and we should be encouraging it. One thing that has been mentioned is access to finance for small and medium-sized businesses. Only last week I visited Barclays bank in my constituency, where I was told how much money the bank had been able to lend to businesses. However, the complaint was that although money was still available in the pot, small businesses were not coming for finance because of the narrative coming from the Opposition Benches about how it was not available. Let me say this to Opposition Members. Please stop talking our economy down. What they say will become a self-fulfilling prophesy. We have a lot to offer in this country; it is about time we encouraged it, not beat it up.

5.52 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Today we are talking about this Government's 18 months of turning growth into stagnation and how they are essentially borrowing to cut. "A manufacturing export-led recovery" is the Government's phrase—something I agree with—but those words sound as hollow as the Tory conference floor during the Prime Minister's conference speech. The industrial production numbers for August coupled with a quarterly poll from the British Chambers of Commerce point to the reality of long economic stagnation. Industrial output was up 0.2% between July and August, but that was entirely due to volatile energy and utility sector prices. Manufacturing output was down 0.3% month on month—much worse than predicted—with export order prospects at their worst for two years according to the BCC.

In retail, consumers are spending less than a year ago, as domestic spending runs below inflation. For all the talk of an export-led manufacturing policy, the Government are still completely reliant on an ever-falling pound in relation to the dollar. However, that is by no means an industrial strategy, and it is certainly not industrial activism, especially as LEPs—another Government growth policy—still have no discernible powers. Nor do they have budgets or money, making them easy to organise, as they do not need accounts departments. Enterprise zones are vague, while funding for the regional growth fund nationally in England is, as we all know, lower than the pot of cash for the Post Office mutualisation fund. Indeed, we have waited six months for the RGF to be financed, but we have still received no answer from the Government Front Benchers about when that money will come through.

Gavin Williamson: Will the hon. Gentleman give way?

Tom Blenkinsop: I am sorry, but I am not taking any interventions because of the time.

Those on the Government Front Bench talk about an employee having to work for 24 months before being eligible for employment rights, but that might give the Government some difficulty, because it would run counter to the interests of new starters—young people seeking work, as well as apprentices. If the Government elongate the time to 24 months, it will be easier for a company to sack an apprentice.

Today in the north-east, we have seen a reduction in employment of 17,000, an increase in unemployment of 19,000 and a 1,500 increase in those claiming jobseeker's allowance. We have seen the highest UK unemployment since 1994. What is the cost to the Treasury and the taxpayer in benefits? The situation also damages demand in the economy.

Chris Heaton-Harris (Daventry) (Con): Will the hon. Gentleman give way?

Tom Blenkinsop: I am sorry, but I am going to continue.

Industry is withholding spending. Small businesses seeking capital cannot get it except at exorbitant rates, and those that do have capital are holding it as cash and not investing. Large industries with access to the money markets are still holding off, as there is no national state capital underwriting or guarantees. This all comes down to confidence. In an article in *The Times* yesterday entitled "Here comes the double-dip, say finance chiefs", Ian Stewart, Deloitte's chief economist, was quoted as saying:

> "Although corporates have the firepower to expand, at the moment their trepidation is with growth, so they are cycling back to exactly what they were doing in late 2008, which is cutting costs and building up cash."

The most troubling factor is the Chancellor's deficit reduction plan. It was predicated on 3% growth, but we have had less than 0.2% growth since May 2010. This means that his plan is out of kilter with reality. The Office for Budget Responsibility predicted £46 billion extra borrowing by this Government, but that figure is now rising. Sure enough, this Tory-Lib Dem Government will have to borrow half a trillion pounds. However, unlike the Labour Government, who borrowed for growth, this Government are borrowing to cut, and they are cutting too fast and too deep.

The hon. Member for South West Norfolk (Elizabeth Truss) referred to savings surplus economies such as China, Germany and Japan. They are also manufacturing surplus economies. We were one of those, back in the 1980s, until the decimation of the coal, steel and chemical industries, all of which used to exist in my area. Under the 13 years of Labour government, we saw record investment in industry. I speak as someone who worked, and got his hands dirty, in industry. That Government invested in industry at record levels. We set up organisations such as NEPIC—the North East of England Process Industry Cluster—and One North East, which had a budget of £2 billion. We gave businesses leadership, and we gave those organisations the cash to bring businesses in. We saw more than 60 chemical companies come to Teesside, but now we have seen the closure of the Teesside Beam Mill and the loss of 1,500 jobs in the steel industry from Scunthorpe to Teesside. Job losses at BAE Systems and Bombardier are also just round the corner. This Government need to reassess their policy very fast.

5.57 pm

John Hemming (Birmingham, Yardley) (LD): I will not take any interventions, as that would leave less time for others to speak.

The Opposition are complaining that the forecasts show that the Government will have to borrow £46 billion more than was previously forecast. Their solution is to borrow more money. They are proposing to borrow an additional £31 billion in any one year—I think that that is the precise figure. I asked the shadow Chancellor what he thought the limit on borrowing should be, but he did not answer the question. One presumes therefore that he has no idea what the limit is. Well, the limit on borrowing is called the International Monetary Fund, when it has to come to the rescue when the markets will not fund a country's deficit.

The reality is that the interest rates on deficits matter, because they represent a perception of the risk of non-repayment, and of the possibility that a Government will become insolvent. The difficulty is that, as a country increases its deficit, it also increases that interest rate. Gradually, the interest rate increases on the whole of Government debt, not just that borrowed in one year. If the whole of Government debt is in the order of £1 trillion, 1% of that is £10 billion. That £10 billion has to be found either from additional taxes over time, or from additional cuts. Labour's strategy would lead to greater cuts or greater taxes in the long term—probably greater cuts.

Let us look at how we have got into this situation. An interesting person to turn to for quotations on this is Lord Turnbull, who was the Cabinet Secretary at the

[John Hemming]

start of the third Blair Government. He said that excessive borrowing started to be a problem from 2005. I quote him:

> "It kind of crept up on us in 2005, 2006, 2007, and we were still expanding public spending at 4.5% a year",

and he argued that the Treasury should have put more money aside. He said last year that the primary reason Britain was

> "in the mess that we're in"

was that

> "public spending got too big relative to the productive resources of the economy, by error".

He added that a loss of output caused by the financial crisis also contributed to the Budget deficit. The mistake is thinking that the problem is caused by one thing alone. There are a number of factors: one is the banking problem; another is overspending by the previous Labour Government.

What we have before us is a motion to deal with a problem caused partly by overspending, to which the proposed solution is yet more spending. In this instance, that means borrowing by the Government for private spending, to be fair, although a cut in VAT on a temporary basis does not generally feed into people's pockets, but into those of the corporations that do not reduce their prices and do not have to pay so much tax.

In his memoirs, Tony Blair proposed what should have been done. On page 679, we can read him reflecting on what should have been done, consistent with his analysis of the economy:

> "In my view, we should have taken a New Labour way out of the economic crisis: kept direct tax rates competitive, had a gradual rise in VAT and other indirect taxes to close the deficit, and used the crisis to push further and faster on reform."

Tony Blair was clear that Labour should have put up VAT.

I kept my ballot paper for the Labour leadership election; I did not think it was right for me to fill it in. One interesting thing about that ballot paper was that it came along with the manifestos of the candidates. I looked at the entry for the shadow Chancellor, who said that he had been "leading the fight" against the VAT rise. Last year, he led the fight against the VAT rise; now he says, "Yes, we need the VAT in the long term", as at least the hon. Member for Bassetlaw (John Mann) recognises; he must have managed to persuade him.

What question needs to be asked? The Government have a strategy, and the strategy is reducing the deficit. There are obviously difficulties, given that the solution must be worldwide. Is it therefore right to follow the Labour party's example and borrow yet more money—another £31,000 million a year—increasing the debt and potentially increasing the need for rescue in the long term, or should we keep on with the strategy we have? My view is that we should keep to the strategy that we have got.

6.2 pm

Austin Mitchell (Great Grimsby) (Lab): I knew something was desperately wrong with Government economic policy when I heard last week that the Prime Minister had to be forcibly restrained from telling us all to pay off our credit card debts. It was as though he had never taken a degree at Oxford in PPE—politics, philosophy and economics—with first-class honours or had learned nothing from it. I think his father would be well qualified to ask for his money back from Oxford, because that goes directly against Keynes's advice on the savings fallacy, which is "The more you save, the more you compound recession." It also runs against the advice of the Office for Budget Responsibility, which predicated what pathetic growth is going to occur the next year on consumers building up consumer debt to pay for products, increasing demand.

I cannot launch the same accusation against the Chancellor because he took a history degree. He does understand economics, but as far as I can see he thinks he is the reincarnation of Montagu Norman: he has the same policy and economics as him. Neither of them, in their obsession with debt and borrowing—also well exemplified in the last speech—shows any consideration, or knowledge, of demand. Because demand is so weak in our economy, there will be no investment, and if there is no investment, there is no increase in production and no increase in employment. If there is no increase in either of them, there is no growth, yet it is only growth that will allow us to pay off the debt we have accumulated. Demand is the key problem, and the obsession with debt obscures it. Instead, the Government compound the problem by cuts that are going to kill recovery.

The folly of that is that we are freer than any other country to act for ourselves and to take measures to expand the economy and boost demand. Europe is locked into the euro crisis—a self-generated crisis—from which we were saved by my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), who, thank heavens, kept us out of the euro. Greece and the other Club Med economies, which must include Ireland now that the gulf stream is warming up the Irish economy, cannot devalue or escape from the crisis by reducing interest rates, so they are trapped. We are not. We can reduce interest rates, and we can devalue; indeed, we have devalued. We can use all the weapons of economic management that the euro prevents.

Nor are we in the same trap as America. Its President is effectively trapped by a Republican Congress whose members have "Tea Party economics" embossed on their foreheads, and can neither increase taxation nor boost spending. We are free to act—yet that freedom has been abused by action that is directly counter-productive, and based on piggy-bank economics rather than any manifestation of economic sense. Such a policy would be appropriate for a Government of millionaires who could sit comfortably on the piles of their money and say, "A few more sacrifices from the working class, a few more unemployed, a few more public servants fired, and we'll all be better off: Britain will win through thanks to the sacrifices of other people." However, it bears no relation to economic sense, so it will not work.

Our recovery was always going to be slower. The recession hit harder here because of the exaggerated financial sector that has resulted from the destruction of so much of our manufacturing—particularly the Thatcher destruction of the 1980s—and the fact that so much of it is now foreign-owned. However, we must not compound our difficulty and make recovery even slower by dragging out a period of low growth. Unless policy is reversed and we have a plan B—I have a name for the great day when policy is reversed; I am going to call it national B-Day—we shall be doomed to a winter that will be hard, miserable and tough, in which unemployment will increase, more people will be put out of work to increase Government borrowing and Government debt, and more small businesses will be destroyed.

6.7 pm

Chris Heaton-Harris (Daventry) (Con): I welcome the hon. Member for Leeds West (Rachel Reeves) to her Front-Bench position, and wish her all the best in it. It has been fascinating to listen to some of the speeches made by Members sitting behind her. We heard, for instance, the "Tale of One City", the wonderful city of Middlesbrough. The hon. Member for Middlesbrough (Sir Stuart Bell) emphasised the importance of the enterprise zone in securing jobs in the new businesses coming to the city, while the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) essentially "dissed" the whole project. I hope that Middlesbrough has the future predicted by the hon. Member for Middlesbrough rather than that predicted by the hon. Member for Middlesbrough South and East Cleveland.

In discussing this motion about jobs and growth, Opposition Members have tended to refer to public sector jobs and growth while those on our Benches have understandably referred more to the private sector. We know that every penny spent by the state must be created by those who are demonised by a number of Opposition Members, especially the Leader of the Opposition, as those nasty, awful people, the wealth creators of the nation. As my hon. Friend the Member for Thurrock (Jackie Doyle-Price) reminded us, it is people and businesses who generate wealth, not the Government.

Businesses such as Cummins, Ford, Tesco, DHL and hundreds of smaller manufacturing businesses are all creating jobs in my constituency at this moment. I note that the hon. Member for Leeds West has not tried to intervene to remind me about the job statistics in my constituency. Under Labour between August 2006 and August 2010, soon after the present Government came to office, the number of jobseekers nearly doubled. Under this Government it has fallen by a small handful, and the number of people claiming jobseeker's allowance for more than 12 months has dropped by a third. That is because we have a healthy private sector that we are trying to encourage in the best ways available to us.

I wonder which of the businesses whose names I read out earlier—Cummins, Ford, Tesco and DHL, those horrible big businesses—are among the predatory businesses that the Leader of the Opposition said, in his conference speech, that he or his civil servants would blacklist: businesses such as the awful AA, those terrible people from Saga, McVities, or—my God, even worse than that—the people from Boots!

I am lucky, as my constituency has a dynamic district council that is doing its best on planning and encouraging growth. We have also been lucky in that our bid to have a university technical college based in the constituency was successful. We know that future jobs growth must be sustainable; it needs to be for the local market, and it needs to provide relevant jobs for relevant industries.

This strategy is working in Daventry. When people driving up the M1 reach junction 18 they see big sheds on the left. That is DERFT—the Daventry international rail freight terminal. Some 9,000 new jobs will be created if DERFT 3 goes ahead.

We want to encourage small business. The Labour party has always had a plan for that, too—it has a good reputation in encouraging small business—but our plan is different. Labour's plan was to take a big business and add a shed-load of regulation—in which case, sure enough, we will absolutely get a small business—whereas our plan is to make sure we encourage people to take that tiny bit of risk required in business by deregulating as much as possible and having a flexible job market that enables them to create jobs.

My background is not the same as that of the hon. Member for Middlesbrough South and East Cleveland, as I did run my own business. I worked nights for 11 years importing and wholesaling fruit and veg. Alas, however—the hon. Member for Great Grimsby (Austin Mitchell) is wrong about this—I am not a millionaire. I do not even aspire to be one. What I want to do is make sure that my constituents who do aspire to be millionaires get the opportunity to achieve that, and running a small business is a very good way to start.

If we want to encourage jobs and growth, we need to make small businesses more successful. Therefore, we need to reduce regulation, so I welcome the national insurance measures we have introduced, but I think the Government can do much better on relaxing procurement rules to enable small businesses to bid for county council contracts without having to go through pages of needless paperwork. To allow small businesses to succeed, therefore, we need more flexible labour markets and less regulation, and we also need to sort out Her Majesty's Revenue and Customs.

6.12 pm

Mr Michael Meacher (Oldham West and Royton) (Lab): Today, we were once again treated to a typically knockabout speech from the Chancellor. It was founded on the entirely specious notion that the cost of implementing the five points put forward by my right hon. Friend the Member for Morley and Outwood (Ed Balls) would be £27 billion, of which £15 billion is supposed to represent speculative market response. In fact, however, if any Government were to come forward with a plausible growth policy, it would almost certainly be greeted with a positive market reaction.

The key problem for the British economy today is not indebtedness; rather, it is lack of demand. The UK debt-to-GDP ratio is, in fact, quite modest, but Government cuts are clearly worsening the problem of lack of demand while hardly reducing the deficit at all because of falling tax revenues and rising unemployment. At present, for every 2.7 jobs lost in the public sector, only one is being created in the private sector.

The alternative policy is a public sector-driven jobs and growth strategy. That is the only way to get out of slump when the private sector contracts, which it is doing at present. We must get people off the dole, thus reducing the enormous cost of benefits, and get them into work where they can contribute to tax revenues as well as regain their independence. Keeping 1 million people on the dole costs £7 billion a year. For the same amount of money, 400,000 jobs could be created.

The Chancellor always says at this point, "Yes, but how's it going to be paid for?" Well, I will tell him. It

[Mr Michael Meacher]

need not be paid for by borrowing at all. First, the growth dividend even from a miserable 1.5% growth a year still yields an extra £40 billion in Government revenues over four years. A financial activities tax in the City at even the modest rate of 0.05% would raise about £20 billion a year. The Chancellor changed the controlled foreign company rules and those for capital gains tax, capital allowances and inheritance tax. The only beneficiaries of those changes are corporations and the very rich, and they will deprive the Exchequer of a further £2 billion a year over the next few years. That money could have been used to create jobs. The reason the Government are not going to do any of those things is, of course, that they have an ideological hang-up about the public sector. The whole point about the massive cuts programme is that it provides the opportunity that the Conservative party has been awaiting for so long to squeeze the welfare system, shrink the state and make, once and for all, the transition from the public sector to a fully privatised economy.

The Chancellor has two answers to the important question about from where we get future growth. He says that it is by returning as quickly as possible to the pre-financial crash neo-liberalism City dominance. That is not tenable and it is not sustainable after what has happened. Secondly, he says that it is through private borrowing. Extraordinarily, the Chancellor, who rightly said before the election that private borrowing was out of control, is now proposing—this is the last resort of a pretty desperate man—to rack it up from its current level of £1.5 trillion to more than £2 trillion by 2015, which is an increase of 35%, according to the Office for Budget Responsibility. Of course that probably will not happen, but if it did it would certainly lay the foundations for an even bigger financial crash next time around.

My final point is that the elephant in the room, the state of manufacturing industry, is simply being ignored and neglected by the Government. Last year, the UK deficit on trade in goods was £100 billion—6.8% of GDP. That is simply not sustainable. We need a smaller City, and a bigger and more robust manufacturing sector. That means putting far more resources into improving manufacturing productivity; skills training; protecting strategic sectors of our economy from foreign takeovers; restoring supply chains in key sectors, which have been broken up by over-ready selling up; incentivising an increase in market share over short-term profiteering; and helping small and medium-sized enterprises to upgrade to be higher tech, so that they are less exposed to Asian competition. The Opposition do have a plan for growth. Until the Government come forward with a plan for growth, they do not have an economic policy worth the name.

6.17 pm

Steve Baker (Wycombe) (Con): It is a pleasure to follow the right hon. Member for Oldham West and Royton (Mr Meacher), and I share some of his concerns about the outright dominance of the City. I wish to draw the House's attention to my declaration of interests in relation to Cobden Partners.

We are in the midst of this jobs and growth crisis, so I feel that we should ask ourselves where jobs and growth came from, where they have gone and where they will come from in future. We know that this is a debt crisis, so why did people borrow so much and save too little? It was because interest rates were too low for too long. Anybody who has a savings account or a mortgage will know that it is the Bank of England which in the UK determines the height of the interest rates market. The set-up of our monetary system means that money is loaned into existence. It has been an institutionally inflationary monetary system since the end of Bretton Woods.

My argument, which is one Hayek advanced in his Nobel lecture, is that when employment comes from an increase in the money supply, that employment lasts only as long as the money supply increases, or perhaps only as long as it continues to accelerate. My preferred measure of the money supply comes from Kaleidic Economics. If we look at it, we find that from 2002 the money supply not only increased, but accelerated in its increase—the level was above 10% from 2004 and in 2007 it went as high as 27% by that measure. The money supply is now contracting at a rate of about 5% a year.

I am delighted to see the previous Chancellor in his place, because had he accepted my intervention earlier I would have said to him that at the time he left power there did appear to be growth, but that it was simply quantitative easing washing through the system, distorting the overall GDP numbers and causing the impression of growth. In fact, we had further money entering the system, distorting the structure of relative prices and making the problem worse later.

If we examine the Office for National Statistics price index going back to 1750—at least one of my hon. Friends will remember—we find that we have had the most astonishing currency debasement since 1971. Indeed, in the 19th century prices experienced secular deflation, and had an ordinary person saved £1 in 1800, they would have been able to buy a larger basket of goods with it in 1900. Had that person saved £1 in 1971, they would be extremely disappointed today.

Inflation is not harmless. It widens wealth inequality and creates patterns of employment that are sustained only by increases in the money supply. For those of us who are sincerely concerned about jobs and growth, it is time to consider whether we should not expect to create employment simply by increasing the money supply. It seems to me that we are now boxed into a corner. We know that we have got into this mess through low interest rates, yet we cannot now afford to allow interest rates to rise—far too many people are far too indebted. That leaves the Government with something of a problem and I think they are right to think extremely carefully about how we can achieve deleveraging. The Chancellor is correct, and has been for some time, to call for an economy based on "save and invest" and on real productive savings. It does not do to expand the money supply in excess of real savings, by which I mean prior production and consumption that is less than that production. The accumulation of capital is the only sustainable way to raise real wages for normal people.

I encourage the Government to stick to their policy of encouraging save and invest, but I express misgivings about quantitative easing. I ask them to look at the theories of the monetary effects on the trade cycle and whether patterns of employment have been sustained by increases in the money supply. As we go forward, I ask them to consider extremely carefully whether we need to go somewhat further than Vickers in creating the right monetary system on which to build a sustainable economy.

6.21 pm

Chris Evans (Islwyn) (Lab/Co-op): It is a pleasure to be called to speak in the debate, and a pleasure to follow the hon. Member for Wycombe (Steve Baker). As a history graduate, I have enjoyed the history lessons during this afternoon's debate. I enjoyed the intervention from the hon. Member for Monmouth (David T. C. Davies), telling me all about the '40s, '60s and '70s. I have heard many Members tell me what happened under a Labour Government long before I was born, but it seems to me that we have always bounced back to the same point: those on the Tory Benches say that it is all Labour's fault, while we say that it is all the Tories' fault. The truth is, where is that getting us?

In my constituency, 2,000 people are claiming jobseeker's allowance. Some 40% of those are under the age of 24. Behind those figures, there are real human tragedies: kids leaving school believing that there is no hope for the future other than being driven—let us hope not—into the hands of drug dealers or becoming involved in crime; the hard-working father who comes home one night and says to his family, "I've been made redundant after 20 years," and his wife who worries; the single parent who is bringing up children on her own and who has just lost her job. What does she do? It is all very well quoting statistics and figures, but what can we do for those people?

Unemployment is not a price worth paying. For me, anybody losing their job is a total tragedy. That is why the motion is so important: we should use bankers' bonuses to create youth jobs and do something to help people, not after being out of work for six months, as the Prime Minister said in his speech, but from day one. I remember when I was a trade union official and jobs were going as, unfortunately, they were being offshored. A scheme was created so that when people were made redundant the company matched half their redundancy to be used for training. Some people decided to become driving instructors, whereas others in the Solent decided to become ship builders, and so on. It interested them and that was what they wanted to do. I want some incentive in the tax system for companies that make people redundant to use similar ideas.

David T. C. Davies: Will the hon. Gentleman give way?

Chris Evans: I am sorry, I cannot take an intervention because other people want to speak, although I would love to give way to the hon. Gentleman.

As I was saying, when a person is unemployed—I do not know how many people in the Chamber have been unemployed—it is soul destroying. It reduces confidence and, in the worst cases, it brings about depression. If anybody wants to see a microcosm of the economy, they should walk down the local high street. There is nothing more sad and depressing than seeing the butcher, the baker and even the candlestick maker all boarded up. Nothing says more clearly that the economy is not working.

So what can we do? We could reduce VAT on a temporary basis to encourage people to come back to the high street, but we could do more than that. We could encourage local authorities to reduce their business rates so that people can stay in their businesses and we could encourage communities to come in so that these places are not boarded up. Above all, we could ask authorities to start providing free car parking. That might be a bit more simplistic than the credit swaps we have heard about, but I am concerned.

I am going to say something quite shocking which is not in vogue at the moment. This afternoon, I spoke to Lloyds TSB and I thought, "It's all very well to bash the banks"—and we should bash those who have been responsible—"but we have to make an assertion and realise that only one part of the banking industry failed." It was not the retail banker or the cashier in Blackwood High street or Newbridge, who serves their community; it was the bankers in the City, and that part should be reformed. However, we have to be very careful when we talk about reform. We cannot introduce regulation that hinders financial innovation. That would be impossible, and I am very concerned about that.

We have to ask ourselves how we are going to encourage manufacturing when we do not encourage banks. I will be honest: I have been one of the banks' biggest critics, but at the moment we are asking them to do something that is almost impossible—we are asking them to save money and lend at the same time. How will they do that? I do not know, but tonight I will walk through the Lobby and support the motion, because I genuinely believe that we need to do something to promote growth.

6.26 pm

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): I am pleased to speak at this late stage and it is a joy to follow a Welshman who spoke, in all his eloquence, about unemployment. I should like to let him know that Government Members understand the devastation that a single extra person becoming unemployed can cause to families. Many Government Members have been through that, but the problem for us in voting for the motion is this: how can we go back to our electorate and say that we voted for a motion that talks about "sustainable" deficit reduction without mentioning any figures or its implications? The motion talks about "a steadier deficit plan", but I should have thought that the Chancellor was pretty steady about the deficit reduction plan and that we were pretty steadily behind that plan. At least we are prepared to say where it is and what the figures are.

The Opposition talk about a credible strategy for growth. In some senses, I want to follow the hon. Member for Bassetlaw (John Mann) and others who have tried to introduce a degree of practicality into the debate and provide some suggestions about dealing with the difficulties we are facing. Let me outline my problems with the five-point plan for growth. I will not be churlish by suggesting that it is only five points and not six. There had to be only five points on those little cards that we used to have at election time, because six or seven was too many.

Let us look at the detail of the five-point plan. We can see that Opposition Front Benchers have moved somewhat on the VAT issue and are now talking about a

[Eric Ollerenshaw]

temporary cut. I have always thought, in terms of economics, that temporary proposals sound a bit suspicious both to me and to my voters as we do not think that they will have any real impact.

This Government are acting to promote long-standing infrastructure growth, as other hon. Members, such as my hon. Friends the Members for South West Norfolk (Elizabeth Truss) and for West Suffolk (Matthew Hancock), have said. They pointed to the dualling of the A11 and I shall point to the M6 Lancaster-Heysham link in Lancashire, which has been on the stocks since 1948. It has taken this coalition Government to put money into that, but it is actually happening.

The proposal for a one-year national tax break for small firms taking on extra workers seems suspiciously like the coalition's proposal for a national insurance holiday for new companies, except those in the south-east and the east, for up to 10 workers. That is where Opposition Front Benchers have missed a trick because nothing in their proposal would help us regionally in the north. At least the coalition Government have recognised the mistakes of the previous Government in that London and the south-east did not need an extra regional development agency or the other additions. This is about the balance between the north and the south, but the Opposition's proposal completely ignores that and wipes it away. That is a mistake.

The Opposition are following along the right lines of our proposals, but their proposals are a mistake. That is why I want to get to the bottom of the five-point plan, which does not help what the right hon. Member for Edinburgh South West (Mr Darling) and Government Members have said is the key to this issue—small business. In my constituency, every two weeks I see a small business that has the potential for orders, and that needs that an extra shed or machine to meet those orders, or that could take on an extra few people, but cannot get the capital. The Federation of Small Businesses has said that 30% of small businesses are in that position—they are missing out on capturing growth because of a lack of capital investment. That is why I welcome the coalition's plan for credit easing in the autumn statement. That is vital.

I welcome the decision to give Lancashire an enterprise zone. The problem with enterprise zones in the past was the relocation of existing businesses. I have a suggestion for the Government: I do not see why we do not declare every university campus an enterprise zone. Overnight it would create what we are supposed to be helping to create: new-scale business.

There is a need out there. There are businesses with orders, but we need the credibility that the Government have given to the finances. I look forward to the autumn statement, and to building on what I believe is a sustainable amount of growth, and sustainable support for small business.

6.30 pm

Kerry McCarthy (Bristol East) (Lab): May I say what a pleasure it was to work with the shadow Chancellor and the rest of the shadow Treasury team over the past year? Although I have moved on to pastures new, I am very happy to speak in support of their motion today.

As we have heard, in the past nine months, the UK economy has not grown at all. Forecasts have had to be revised downwards, and the future prospects for growth are bleak, given the scale of Government cuts and the Chancellor's failure to acknowledge that in fragile economic times a slash-and-burn policy, far from stimulating growth and bringing down the deficit, will cause growth to flatline. It will actually cost us more as a result of decreasing tax receipts, increasing benefit payments, people having less money to spend, and the Government having to borrow £46 billion more than they thought they would.

As the head of the International Monetary Fund, Christine Lagarde, warned that slamming on the brakes too quickly will hurt the recovery and worsen job prospects, yet the Chancellor is failing to heed the warning signs. Economic indicators such as today's unemployment figures, which are devastating for people in areas such as my constituency, tell the Chancellor that not only is he going too fast, but he is on completely the wrong road. We do need to reduce the deficit, but at a pace that does not harm economic growth. Labour's plan for growth involves bringing forward long-term investment projects for schools, roads and transport, building 25,000 more affordable homes, and creating 100,000 jobs for young people, funded by a £2-billion tax on bankers' bonuses. That is what my constituents want a Government to do.

In my constituency, I see the impact of Government policies mounting up in a multitude of individually small but cumulatively large ways. For example, there is the public sector worker who has had a pay freeze, is paying 2.5% more VAT, has had their child care tax credits cut from 80% to 70%, and will soon have to contribute 3% more to their pension. That is not to mention the rise in inflation, how much more it costs to fill a tank with petrol, ever-rising fuel bills, or the extra pounds that the weekly food shopping costs. There are also the local services that people now have to pay for, and that used not to come at a cost.

This week, we have heard a stark warning from the Institute for Fiscal Studies and the Joseph Rowntree Foundation about the impact that the Government's policies are having on child poverty. I was there, in the previous Parliament, when all the party leaders and MPs from all parties rushed to sign up to the child poverty pledge to commit to abolishing child poverty within a generation. There was a cosy air of cross-party consensus. As one of the MPs who had been working closely with the End Child Poverty coalition, I did not want to say or do anything to derail that, but I was quietly highly sceptical. There were warm words and MPs posing with marker pens as they signed the pledge as part of a photo opportunity, so that they would appear in their local papers.

Charlie Elphicke: Will the hon. Lady give way?

Kerry McCarthy: No, I do not have time. I was highly sceptical that the pledges would translate into real action if the Conservative party got into Government. Sadly, my scepticism has proved well founded. The IFS warned yesterday that the Government's tax and benefit changes will push 400,000 children into relative poverty by 2015. The number of children in absolute poverty will rise by 500,000 to 3 million. Instead of us eradicating child poverty by 2020, the Government's policies mean that 3.3 million children—one in four children in the UK—will be in relative poverty. Labour when in government lifted nearly 1 million children out of poverty; this Government will put another generation of children right back there. It is little wonder that the chief executive of the Child Poverty Action Group described it as a "devastating report". She said:

> "Ministers seem to be in denial that, under current policies, their legacy threatens to be the worst poverty record of any government for a generation."

Sheila Gilmore: Does my hon. Friend agree that on top of the benefit changes, one of the big things that will cause increased child poverty is the increased level of women's unemployment, particularly because of the huge cuts in the public sector, which will affect women and then affect their children and plunge them into poverty?

Kerry McCarthy: My hon. Friend makes a valid point, which is another sign of the devastating impact of the Government's policies. As I said, everything mounts up together; taken individually, it might not seem that they are doing much harm, but people are beginning to feel the pain and beginning to realise how much more pain is round the corner, not just for them, but for their children.

In the limited time available to me, I shall talk about unemployment, which in my constituency has risen by almost a quarter in the past year. Bristol was fortunate to be chosen as the site for one of the Government's new enterprise zones. Unlike the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw), I can just about remember what they are called. The council says that that has the potential to create 17,000 new jobs, which is good, but that is over a 25-year period. We need jobs now.

A report by the Work Foundation concluded that

> "evidence suggests that Enterprise Zones…are likely to be ineffective at stimulating sustainable economic growth in depressed areas."

A Centre for Cities report found that the cost of each new job created in enterprise zones over 10 years would be £26,000, which compares with £6,500 to creating a job for a young person under the future jobs fund and just £3,500 for the new deal for young people.

I left school in the 1980s and nearly all my friends spent years on the dole, their prospects of employment bleak, with long spells of unemployment interspersed with the occasional futile training scheme that did nothing to land them a job at the end of it. They thought they would never work, never own their own homes, never be able to afford to have a family. This Government seem intent on recreating that Thatcherite nightmare, with nearly 1 million young people now unemployed. We cannot consign another generation to the scrapheap. Labour's plans to create 100,000 jobs for young people are what is needed now. That is why I support the motion.

6.37 pm

Rachel Reeves (Leeds West) (Lab): It is a privilege to wind up this debate as shadow Chief Secretary to the Treasury. I may be new to the job, but after five hours of debate today I am still no clearer on this Government's plan for jobs and for growth. Even on the day when unemployment has reached a 17-year high, the Government have no plan for jobs and for growth. Today's numbers are proof that plan A has failed.

While Government Members say that there is no alternative to the policies being pursued by the Government, the Opposition have put forward a five-point plan for jobs and growth which was set out by my right hon. Friend the Member for Morley and Outwood (Ed Balls), the shadow Chancellor, and supported by Opposition Members. My right hon. Friend the Member for Edinburgh South West (Mr Darling) reminded us that a year and a half ago, the economy was growing and unemployment was falling. How different from today. My hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) gave a vivid account of the impact that the Government's policies are having on constituents in Hackney.

We heard about plans for jobs and growth rooted in the constituency experience from my hon. Friends the Members for Leeds East (Mr Mudie) and for Gateshead (Ian Mearns), my right hon. Friend the Member for Holborn and St Pancras (Frank Dobson), my hon. Friends the Members for Middlesbrough (Sir Stuart Bell), for Wolverhampton North East (Emma Reynolds), for Coventry North West (Mr Robinson), for Bassetlaw (John Mann) and for Great Grimsby (Austin Mitchell), my right hon. Friend the Member for Oldham West and Royton (Mr Meacher) and my hon. Friend the Member for Bristol East (Kerry McCarthy).

From the Government Benches we also heard some constructive speeches, particularly from the hon. Members for Chichester (Mr Tyrie), for Sevenoaks (Michael Fallon) and for Aberconwy (Guto Bebb). Some Government Members, however, defended plan A 100% but none of them, remarkably, wanted to talk about unemployment in their constituencies. One hon. Member gave a speech not even knowing that unemployment in his constituency was up 29.2% in a year. If that is not proof that plan A has failed, I do not know what is.

Let me rebut some of the Greek myths that we heard from the hon. Members for Spelthorne (Kwasi Kwarteng), for Rossendale and Darwen (Jake Berry) and for Bromsgrove (Sajid Javid), which they use as a smokescreen for their austerity programme. First, UK debt is just over 60% of GDP; in Greece it is over 150%. Secondly, the average maturity of our debt is roughly 13 years, compared with around six years in Greece. Thirdly, bond yields were falling in the UK ahead of the general election, but they were rising in Greece. Fourthly, Greece is part of the eurozone and so, unlike the UK, cannot devalue its currency. This is a story of two very different economies. The Greek defence for austerity simply does not add up.

I urge hon. Members to look at the facts. We have great British businesses, great British industries, great universities and people in all our constituencies who want to work hard and get on. Let us celebrate and build upon our successes, rather than talking Britain down. Instead of the mantra of resignation and defeat from Government Members, the shadow Chancellor has set out practical policies for jobs and growth. What a contrast and what a different message on how to support families feeling the impact of rising energy and food prices. What a different message to businesses worried about sales and accessing finance. What a different message to young people looking at the prospect of

[Rachel Reeves]

enormous debts when they leave university, with less and less hope of getting a job.

When Labour left office unemployment was falling, but today's figures show that unemployment, at 2.57 million, is higher now than at any point during the recession, at a level last seen under a Tory Government. Youth unemployment, at 991,000, is the highest ever on record and is inching ever closer to 1 million. Unemployment for women has increased by 40,000 since May and is now above 1 million, the highest level since 1988. Last week's GDP revisions show that GDP estimates for the second quarter had halved to just 0.1%.

Households are feeling the biggest squeeze on their income for 35 years, but our out-of-touch Prime Minister lectures hard-pressed families to pay off their credit card bills right now. Tell that to the ordinary families coping with the effects of the Government's VAT hike. Tell that to the struggling small businesses trying to access credit from the banks. Tell that to the anxious young person who cannot even get a job. It is also crazy economics. Of course we all need to be prudent, but the Institute for Public Policy Research has calculated that if everyone were to pay off their credit card debts, consumer spending would be reduced by 6% and GDP would fall by 4%.

Growth has flatlined for nine months, starting before the European debt crisis. We have heard the Chancellor's excuses. First he blamed the snow, then the royal wedding and now Europe. When will the Government stand up and take responsibility for their actions? The managing director of the IMF, Christine Lagarde, says growth is necessary for fiscal credibility, and she is right. It is because the economy has ground to a halt and unemployment is at 2.57 million that the Office for Budget Responsibility now forecasts that we will borrow £46 billion more over this Parliament than planned.

It is not possible to reduce the budget deficit while paying more in benefits and getting less through taxation. Austerity alone will not reduce the budget deficit without a plan for jobs and growth. As my right hon. Friend the Member for Edinburgh South West reminded us, 18 months ago unemployment was falling, and as my right hon. Friend the shadow Chancellor noted, John Maynard Keynes once said:

> "When the facts change, I change my mind."

John Maynard Keynes was a Liberal, and so too was the Chief Secretary to the Treasury. When he was a Liberal he said:

> "We are in real danger of condemning a generation of young people to a cycle of unemployment and low expectations."

How very prescient—on the day when figures reveal that youth unemployment has gone up to 991,000 under his watch. The Liberal Democrats were once progressives, but now they just represent failed economics, implementing the reckless policies that they said before the election would not work.

There has been much debate this afternoon about the growth strategy that the Government promised, instead of which we have simply had a strategy for failure. They increased VAT, costing families £450 a year, and cancelled the loan to Sheffield Forgemasters so that high-skilled jobs are now going to South Korea rather than south Yorkshire. They scrapped the regional development agencies and replaced them with a regional growth fund that is yet to spend a single penny. The Government have introduced what the Governor of the Bank of England described as the "weakest possible measures" to get banks lending—a ringing endorsement of their Project Merlin. Today the Government have announced the guarantee of a job interview for 50,000 young people, but young people want not just an interview but a guaranteed job or training—a real opportunity, which they had under a Labour Government before the general election and before the future jobs fund was scrapped by this Government. With policies such as these from the Government, no wonder the economic recovery has ground to a halt.

Ian Lucas (Wrexham) (Lab): One of the most dreadful things that this Government are doing is that when they do spend money, for example on the rail or helicopter contracts, they do not support British businesses such as Bombardier and AgustaWestland but spend money on jobs and growth abroad. Should we not be spending British taxpayers' money to preserve British jobs?

Rachel Reeves: I could not agree more with my hon. Friend, with 1,000 jobs going at Bombardier and Government policies putting people out of work and businesses out of business.

While the Government offer no relief, at least the Bank of England is offering some leadership, with an extra £75 billion through quantitative easing, which the Chancellor described just two years ago as

> "the last resort of desperate governments when all…other policies have failed".

Let me be frank. The last Labour Government were desperate to avoid a global recession becoming a global depression; desperate to ensure that unemployment did not hit the 3 million mark, as it did in the recessions of the 1980s and 1990s; and desperate to avoid the business failures and home repossessions that scarred our country in Tory recessions. Government Members should be desperate today, because unemployment is at a 17-year high, because borrowing in August reached a record high, because growth has stalled, and because plan A has failed.

Today, as we see the unemployment numbers, it would be nice to have a Government who reacted and said they have got it wrong. Instead, it takes Labour to come to the Chamber with a five-point plan: a £2 billion tax on bank bonuses and a guarantee of a job for young people; bringing forward long-term investment projects to get people back to work; cutting VAT temporarily to give immediate help to our high streets and to struggling families and pensioners; cutting VAT to 5% on home improvement repairs; and a one-year national insurance tax break for every small firm taking on extra workers. That is a five-point alternative that offers hope and unlocks opportunity.

We can call it what we will—plan A-plus, plan B, or the five-point plan—but this Government must come up with an alternative to help families struggling with rising prices and stagnant wages, to help businesses that cannot get a loan and are scared to take on new workers, to help young people who are facing record youth employment, and to help pensioners facing higher gas and electricity bills this winter. This Government must act for every struggling family, for every struggling business, and for every pensioner. They must act, with Labour's five-point plan, to unlock the potential of every young person in Britain, to create jobs, and to get our economy growing. Their plan has failed. I urge hon. Members to support this motion.

6.48 pm

The Chief Secretary to the Treasury (Danny Alexander): This has been a very good debate in which we have heard 31 contributions from Back-Bench colleagues on both sides of the House. The right hon. Member for Edinburgh South West (Mr Darling) made clear his continuing support for paying our subscriptions to the IMF. We heard particularly passionate speeches by the hon. Member for Islwyn (Chris Evans) and my hon. Friend the Member for South Staffordshire (Gavin Williamson), who made strong pitches on behalf of their constituents, as did many other hon. Members.

Let me take this opportunity to congratulate the shadow Chief Secretary to the Treasury on her appointment. The hon. Member for Bassetlaw (John Mann) made a pitch for her job, but I think she is quite safe. She has a tough job to do in controlling the free-spending instincts of many of her colleagues. The Chancellor referred to the £11 billion cost of a commitment made in amendments that she tabled to the Pensions Bill on her last day as shadow Pensions Minister, and I hope that others will not follow her example.

The shadow Chief Secretary will have to think carefully about whom she asks for advice. Perhaps she could ask the shadow Chancellor, or perhaps not. Perhaps she could ask my predecessor but one, the right hon. Member for Birmingham, Hodge Hill (Mr Byrne), who left a message for my predecessor saying that there was no money left. That is not the only message that he has left recently. *[Interruption.]* Calm down. My hon. Friend the Member for Portsmouth North (Penny Mordaunt) received a message yesterday on her answering machine from the right hon. Member for Birmingham, Hodge Hill saying, "Could you put in to speak tomorrow? The shadow Chancellor needs all the help he can get." It is to be assumed that he had confused my hon. Friend the Member for Portsmouth North with the hon. Member for Newport East (Jessica Morden), who is next to her in the House of Commons telephone directory. Perhaps the shadow Chief Secretary could turn for advice to her former boss, the Governor of the Bank of England, who last year backed this Government's strong and powerful deficit reduction plan, and who last week reiterated that this Government have a credible plan to repay our debts. In the end, the test for her and her party will be whether they have plans that are in any way credible. On today's evidence, the answer is no.

I will answer a couple of the questions that have been asked about Labour's plans. It has set out plans today for the Pensions Bill that would cost an additional £31 billion of debt. Somebody asked what the interest on that would cost. It would cost £1.2 billion a year or £3.2 million a day. That is just on the spending commitments that Labour has made this week.

Likewise, the shadow Chancellor seems somewhat confused about his own policy on the switch from RPI to CPI. As I understand it, he will support the switch, for which I am grateful, for three years. That means that he will seek to reverse it in 2014-15. That would cost an extra £6 billion at the end of this Parliament. The shadow Chief Secretary has her work cut out with the shadow Chancellor, as well as with everyone else. That is why I say that only the Liberal Democrats and the Conservatives have a credible economic plan.

As many speakers in this debate have recognised, when we came into government we inherited the largest peacetime deficit this country has ever faced. We were borrowing one pound for every four that we spent. We were on a completely unsustainable trajectory, which compelled Standard & Poor's to put the UK's triple A rating on negative watch. We had to take the difficult and sometimes unpopular decisions to pull the country out of that hole. We are taking action not because it is easy, but because it is the right thing to do in the national interest. We are already seeing the benefits from our plan.

Sheila Gilmore: I wonder whether the right hon. Gentleman will apologise to all the people who voted Liberal Democrat having heard his party say in the election campaign that to cut too fast would be detrimental to the economy.

Danny Alexander: No, I will not because our plan for deficit reduction is necessary to restore the credibility of this country's finances. If there is any apologising to be done, it is from Opposition Members.

As I was saying, we are already seeing the benefits from our plan. Standard & Poor's took the UK's rating off negative watch and reaffirmed our rating in its latest report.

Several hon. Members *rose—*

Danny Alexander: I will not give way because I have little time to get through the points made in the debate.

Standard & Poor's warned that our rating would come under pressure if the Government faltered in their commitment to fiscal consolidation. The markets have also backed us. When we came into government our gilt yields were tracking the likes of Spain and Italy. Since then, our yields have fallen to follow those of Germany.

Our plan makes a real difference to households and businesses. It allows families to stay in their homes and businesses to refinance their debt. As the Chancellor said, without a credible plan, interest rates would rise. A 1% rise in interest rates would take £10 billion out of the pockets of British families through higher mortgage costs, leading to higher repossessions and more job losses. That is the Opposition's plan.

Ian Lucas: I am very grateful to the right hon. Gentleman for giving way. Given that youth unemployment is today approaching 1 million and that as a Liberal Democrat he touted for votes by offering the abolition of fees and by pursuing the policy of the Labour party, rather than the policy he is now pursuing, does he not think that it is entirely understandable that young people have no faith in politics? Should he not say sorry?

Danny Alexander: No, the hon. Gentleman should say sorry, and of course we are supporting Airbus, in his part of the country, as part of our strategy for creating jobs.

We have only to look across the eurozone to see the costs of political indecision and the price that comes from consolidating at the behest of the market rather than taking charge of one's own destiny, as the Government

[Danny Alexander]

have. We have seen the problems in the eurozone and are working to help, but we already have flexibility in our own plan. By taking the tough decisions that we have on fiscal policy, we have provided the space in which the Bank of England can act. In the Governor's own words,

> "monetary policy is the right way to take the strain of changes in the world economy."

As we have already said, we are considering credit easing options as a way to inject money directly into the business sector. We will provide further details in the autumn statement, and I am grateful for the welcome given to that policy on both sides of the House.

Of course, today's unemployment figures are a reminder of the difficult task that we face. Unemployment is not merely a statistic; it is a high cost for the individuals and families concerned. It is not a price worth paying, and that is why we will be relentless in our pursuit of growth.

Geraint Davies: Will the Chief Secretary give way?

Matthew Hancock: Will my right hon. Friend give way?

Danny Alexander: I will not. I only have a few minutes left.

We will not return to growth on the back of debt-fuelled consumption.

Chris Ruane (Vale of Clwyd) (Lab): Will the right hon. Gentleman give way?

Danny Alexander: No, I will not.

We will not return to growth on the back of what we might call predatory growth, based on spending money we do not have, so that when the music stops and the bills fall due, they have to be paid for by the rest of us. Instead, we are committed to building a new model of growth powered by investment, exports and enterprise, for example by investing in infrastructure. Over the four years of this spending review period, we will invest more in transport infrastructure than our predecessors managed in the previous four years.

Rachel Reeves: Before the general election, the Secretary of State for Business, Innovation and Skills said:

> "Cuts without economic growth will not deal with the deficit."

Does the Chief Secretary agree?

Danny Alexander: I do, and I am about to set out exactly what this Government are doing for economic growth, if I can be allowed two or three more minutes to fill in that point.

As I was saying, we are investing in infrastructure. Only two weeks ago, I announced the creation of a new "Growing Places" fund—half a billion pounds that will kick-start developments that are currently stalled, deliver on key infrastructure and create jobs.

As my hon. Friend the Member for South West Norfolk (Elizabeth Truss) said, we also have to stop the decay in our competitiveness that has marred the past decade. so we are cutting corporation tax to 23% by 2014, taking it to the lowest rate in the G7. We will increase the SME rate of research and development tax credits to 225% by April 2012, and we are tackling the problems of the imbalances in growth between regions, which a number of Members on both sides of the House have raised. That is why today, the Business Secretary announced the first of our new technology and innovation centres that are being established, and why we have committed £1.4 billion to the regional growth fund, which has committed to projects in the north-east, the north-west and across the country.

As the hon. Member for Middlesbrough (Sir Stuart Bell) rightly observed, we have also announced 22 enterprise zones that will attract hundreds of new start-up enterprises and create thousands of jobs by 2015. We are ensuring, too, that our young people have the skills to seize their opportunities through the recovery. We are supporting more apprenticeships than any previous Government—by the end of this Parliament we will deliver 250,000 more than the previous Government planned, on top of a total of 100,000 work experience placements.

I know that this is a difficult time for many people and families across the country, and that it is not much comfort to say that it would be very much worse if it were not for this Government's determination to fix the failures of the past.

Ms Rosie Winterton (Doncaster Central) (Lab) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Main Question accordingly put.

The House divided: Ayes 244, Noes 315.

Division No. 365] **[6.59 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian

Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Fitzpatrick, Jim
Fiello, Robert
Flint, rh Caroline
Flynn, Paul
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, rh Mr Elfyn
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Phil Wilson and
Yvonne Fovargue

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Field, Mr Mark

Foster, rh Mr Don
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pugh, John
Raab, Mr Dominic
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, rh Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Norman Lamb and
Jeremy Wright

Question accordingly negatived.

Business without Debate

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith (Standing Orders Nos. 15 and 41A),

That, at this day's sitting, proceedings on the Motion in the name of Sir George Young relating to Business of the House (17 October) may be proceeded with, though opposed, until any hour, and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Bill Wiggin.)*

Question agreed to.

Business of the House (17 October)

7.15 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): I beg to move,

That, at the sitting on Monday 17 October, notwithstanding Standing Order No. 14(3A) (Arrangement of public business), the Speaker shall put the Questions necessary to dispose of the proceedings on the Motion in the name of Sir George Young relating to the Parliamentary Contributory Pension Fund not later than two hours after the commencement of proceedings on the Motion; and such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved.

I do not want to detain the House any longer than necessary on this issue. The motion provides for two hours of debate on the Government motion on pensions on Monday. It provides certainty for the House, and it is necessary as the day is being shared with a debate scheduled by the Backbench Business Committee on the Hillsborough disaster. That is the first debate in this Chamber that has resulted from the new e-petition system introduced by the Government.

Mr Peter Bone (Wellingborough) (Con): Would it not be better to protect the Hillsborough debate by stating that there should be a minimum of three hours for it, so that it could go beyond the moment of interruption? Otherwise, if there are statements or urgent questions on Monday, the Hillsborough debate could be squeezed to one and a half hours.

Mr Heath: I have to say that I believe the programme motion does provide the required protection. It is a sensible procedural motion, and it is my great regret that we have to debate it at any length this evening. The mood of the House was apparent last night during the various points of order on this matter. The debate on the Hillsborough disaster was supported by nearly 100 Members of the House when presented to the Backbench Business Committee. It also has the support of more than 139,000 members of the public who signed the e-petition supporting the debate. Members of the House have been liaising with the many hundreds of people who intend to travel to London on Monday to listen to the debate, many of whom will be bereaved families of those who lost their lives in the tragedy.

The hon. Member for Liverpool, Walton (Steve Rotheram) asked a question of the Prime Minister earlier today. He said:

> "Does he understand that the perception out there in the real world is that some MPs would rather talk about their own pensions than discuss a 22-year-old injustice and the deaths of 96 men, women and children?"

I have to say that if the House were unable to agree to this motion this evening, that is exactly the impression that would be given. I want to avoid that, which is why I commend the motion to the House.

7.18 pm

Angela Smith (Penistone and Stocksbridge) (Lab): I support the Deputy Leader of the House's comments, and I want to remind the House that it should bear in mind when making its decision on the motion how it will look to the country. Do parliamentarians want to give the impression that they are more interested in their personal financial interests—their pensions, no less—than in the issues that concern the people they represent? Do Members of the House want to be seen to be gazing at their own navel at the expense of doing their proper job, which is to respond to the issues that matter to the people we represent? The Hillsborough disaster is pertinent not only to the people of Liverpool, Sheffield and Nottingham. Those who have signed the petition want justice for the 96 who died and for their families, and in that sense it is relevant to every Member of the House. I urge colleagues to support the motion tabled in the name of the Leader of the House.

Question put and agreed to.

Business without Debate

BUSINESS OF THE HOUSE (13 OCTOBER)

Motion made,

That, at the sitting on Thursday 13 October—

(1) the Speaker shall put the Questions necessary to dispose of proceedings on the Motions in the name of Mr Greg Knight relating to Hand-held Electronic Devices in the Chamber, Select Committee Amendments, Explanatory Statements on Amendments to Bills, and Written Parliamentary Questions not later than one and a half hours after their commencement; and such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved;

(2) proceedings on the Motion in the name of Mr Greg Knight on Ministerial Statements may continue until three hours after commencement of proceedings on the Motions specified in paragraph (1), and shall then lapse if not previously disposed of.—*(Bill Wiggin.)*

Hon. Members: Object.

ADJOURNMENT

Resolved, That this House do now adjourn.—*(Bill Wiggin.)*

7.20 pm

House adjourned.

Deferred Division

TRIBUNALS AND INQUIRIES

That the draft First-tier Tribunal (Immigration and Asylum Chamber) Fees Order 2011, which was laid before this House on 12 July, be approved.

The House divided: Ayes 309, Noes 20.

Division No. 364]

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Cameron, rh Mr David
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Colvile, Oliver
Crabb, Stephen
Crouch, Tracey
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Mr Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hermon, Lady
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Pugh, John
Raab, Mr Dominic
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Sheerman, Mr Barry
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory

Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

NOES

Campbell, Mr Ronnie
Cooper, Rosie
Corbyn, Jeremy
Durkan, Mark
Edwards, Jonathan
Flynn, Paul
Greatrex, Tom
Hosie, Stewart
Llwyd, rh Mr Elfyn
Lucas, Caroline
MacNeil, Mr Angus Brendan
McDonnell, Dr Alasdair
McDonnell, John
Ritchie, Ms Margaret
Robertson, Angus
Skinner, Mr Dennis
Weir, Mr Mike
Whiteford, Dr Eilidh
Williams, Hywel
Wishart, Pete

Question accordingly agreed to.

House of Commons

Thursday 13 October 2011

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

BANK OF IRELAND (UK) PLC BILL

Bill considered.

Bill to be read the Third time.

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Flood Protection (Warrington)

1. **David Mowat** (Warrington South) (Con): What steps her Department is considering taking to protect households in Warrington from flooding. [73877]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): Before I start, may I welcome the new members of the Opposition Front-Bench team and the returning member, the hon. Member for Ogmore (Huw Irranca-Davies)? That is a great pleasure and I look forward to working with them in future weeks; the hon. Gentleman is living proof that one can boil cabbage twice.

The Environment Agency is working closely with partners to develop a scheme that will reduce the risk of flooding from the River Mersey to 2,000 properties in Warrington. Last year, DEFRA provided £200,000 to Warrington borough council, which it used to address local flood risk for 30 homes in Dallam and Orford. Flood risk from rivers in Warrington is also actively managed by water course maintenance, flood warning and development control.

David Mowat: I thank the Minister for that reply, and, as he says, the work that has taken and is taking place in Westy is much appreciated. In other parts of Warrington, around Penketh and Sankey, the previously planned work has been delayed. Will the Minister give some indication of the time scales for that work?

Richard Benyon: It is to my hon. Friend's credit that he continuously raises these issues with the Environment Agency and the Department. The Sankey area is of great concern to a number of households. It does not rate as highly as the other much larger scheme in the Warrington area and it will be considered, as is the way, with complete transparency in the funding scheme that has been announced, which will be considered by the local flood authority in due course.

Mr Andrew Love (Edmonton) (Lab/Co-op) *rose—*

Mr Speaker: On the subject of Warrington, not Edmonton.

Mr Love: It is allied to Warrington.

Mr Speaker: Then we will test the water.

Mr Love: If I may say so, Mr Speaker, the similarities are very great, because just like Warrington, we suffered—

Mr Speaker: Order. I apologise to the hon. Gentleman. I was prepared to give him some latitude, but the question must be purely on Warrington rather than allied to Warrington. We are grateful to him for his industrious efforts.

Recycling Sector (Employment)

2. **Alec Shelbrooke** (Elmet and Rothwell) (Con): What steps the Environment Agency is taking that will contribute to growth and employment in the recycling sector. [73878]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): I, too, want to add my welcome to the new members of the shadow DEFRA team. The hon. Member for Ogmore (Huw Irranca-Davies) is remembered fondly by officials at DEFRA and I should send their regards.

The UK's waste and recycling sector is valued at more than £12 billion a year and is projected to grow between 3% and 5% a year for the next seven years, making a valuable contribution to the greening of our economy. The Environment Agency will implement part of the Government's waste review to ensure that regulation is effective in protecting human health and the environment while making compliance as easy as possible for legitimate business.

Alec Shelbrooke: My right hon. Friend will be interested to learn of a potassic lime fertiliser produced by 4Recycling, a company on the periphery of my constituency of Elmet and Rothwell. The product is made from recycled material but the company is being hindered by the bureaucracy of the Environment Agency. Will my right hon. Friend meet me to discuss the issues that are restricting growth in this industry?

Mrs Spelman: My hon. Friend has been vigilant in writing to me about this product, produced by 4Recycling Ltd. I must set straight for the record that the product, potassic lime, is a mixture of water treatment work sludge and cement kiln dust. A current analysis of the product shows that it contains contaminated products, such as lead. The caution that the Environment Agency has exercised is therefore something that I am sure all Members of the House would understand, but I would be happy to meet my hon. Friend to discuss it further.

Gavin Shuker (Luton South) (Lab/Co-op): If the Environment Secretary had followed Scotland and Wales and adopted an ambitious 70% recycling target in her waste review, she could have created 50,000 new green jobs, yet she has been silent as the Secretary of State for Communities and Local Government splurged £250 million on weekly bin collections, directly undermining her own waste strategy. Is saving her own job really more important than creating 50,000 jobs in the real economy?

Mrs Spelman: First, we ought to record with gratitude the effort that the public make to help with recycling rates. I am sure that the hon. Gentleman would accept that it is not right to take a one-size-fits-all approach and that it is up to local authorities to decide the best collection service for their area. I fully support the scheme being introduced by my right hon. Friend the Secretary of State for Communities and Local Government because it is conditional on environmental benefits as well as giving increased value for money for the taxpayer.

Training Opportunities (Rural Areas)

3. **Dr Thérèse Coffey** (Suffolk Coastal) (Con): What steps she is taking to encourage young people to take up learning and vocational training opportunities in the countryside and farming sector. [73879]

5. **Andrew Stephenson** (Pendle) (Con): What steps she is taking to encourage young people to take up learning and vocational training opportunities in the countryside and farming sector. [73881]

6. **George Eustice** (Camborne and Redruth) (Con): What steps she is taking to encourage young people to take up learning and vocational training opportunities in the countryside and farming sector. [73882]

11. **Brandon Lewis** (Great Yarmouth) (Con): What steps she is taking to encourage young people to take up learning and vocational training opportunities in the countryside and farming sector. [73887]

12. **Sajid Javid** (Bromsgrove) (Con): What steps she is taking to encourage young people to take up learning and vocational training opportunities in the countryside and farming sector. [73888]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): I am delighted that so many colleagues are keen to ask about this important issue. Improving skills and creating learning opportunities is an essential part of delivering growth in farming, rural areas and food businesses. To that end, earlier in the summer, my right hon. Friend the Minister of State, Department for Environment, Food and Rural Affairs, announced 50,000 new apprenticeships, mainly associated with agriculture and the food industry. In addition, we are working closely with colleagues at the Departments for Education and for Business, Innovation and Skills to make sure that rural areas benefit from the additional £250 million that the Government are investing in adult apprenticeships.

Dr Coffey: I thank my right hon. Friend for that answer. Will she encourage her Ministers to work with people such as those at the Suffolk Agricultural Association, who hold annual school days for children, to ensure that they are involved in encouraging the take-up of apprenticeships when people leave school?

Mrs Spelman: I have absolutely no hesitation in endorsing that scheme in Suffolk. Obviously, we would like to see that example of best practice replicated elsewhere.

Andrew Stephenson: With the rising price of lamb making upland sheep farming a promising and viable business now and for the future, what is the Minister going to do to ensure that more young people are attracted to remain in this sector of farming after generations of farmers' sons and daughters have left it?

Mrs Spelman: I well remember, when we launched our upland support package, which brought £26 million of new money to help support farmers and their communities in the uplands, sheep farmers saying to me that this problem of succession is a serious one. So I was delighted to hear that Northumberland national park, in partnership with Lantra, is encouraging a programme with the local college in that national park for upland farming skills. A similar scheme called Dartmoor skills has also been introduced. I think that young people will increasingly be attracted to the tradition of sheep farming, which has a bright future.

George Eustice: Last year, the Welsh Assembly Government launched the young entrants support scheme—an innovative project that offers grant funding and business mentoring to new entrants and young farmers. Will the Secretary of State look at replicating something similar in the UK? We have a real problem in that around a third of farmers are over the age of 65. We must try to get some new people in.

Mrs Spelman: Yes, I think that that scheme has merit. As I announced earlier this month, we will have a rural strand as part of the growth review. I am sure that all Members want to see part of the economic recovery of our country vested in rural areas, which have often been neglected. A huge opportunity exists to help young people to enter land-based employment and to encourage rural enterprise.

Brandon Lewis: Does the Secretary of State agree that national park authorities such as the Broads Authority in my constituency do some great work with disadvantaged youngsters in their outreach programmes and that all national park authorities should prioritise that kind of outreach work?

Mrs Spelman: Yes, the Broads Authority sets a very good example in helping young people, particularly vulnerable and disadvantaged young people, to gain access to the countryside. I am delighted to tell the House that the Health and Safety Executive has, at the request of the Government, simplified its guidance for farm visits, thereby removing one of the significant barriers to helping schoolchildren access the countryside. Through the rural development programme for England, we make it possible for 1,000 farms to be visited by our young people; access to nature for young people is a very important part of investing in their future.

Sajid Javid: I recently met a farmer in my constituency who told me that more than 80% of his 50 employees are hard-working eastern Europeans. He finds it very difficult to attract young British people to take on those jobs. Is there anything that the Secretary of State's Department can do to make this work more attractive to them?

Mrs Spelman: I am sure that the same complaint has been made to other hon. Members. On Open Farm Sunday, I visited a farm in Worcestershire where exactly the same point was made to me. It is important to stress, for the record, that although manual work on the farm is hard work, it can be very well paid—up to £10 an hour on average—so that seems not to be the impediment. By working with the Department for Work and Pensions, we are very keen to make sure that work does pay for our young people.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): Will not a lot of young people be discouraged from going into agriculture by the Government's plans to scrap the Agricultural Wages Board, as that will drive down wages and conditions, particularly for young people and casual workers? Should the Secretary of State not listen to her coalition friend the hon. Member for St Ives (Andrew George), who, speaking on behalf of the Liberal Democrats, I believe, has said that he is against the abolition of the Agricultural Wages Board? Listening to him is something that she could do to help workers and young workers in particular.

Mrs Spelman: This is becoming something of an obsession for the Labour party, but Labour Members refuse to accept or acknowledge that, when in government, they were certainly considering scrapping the Agricultural Wages Board, and only the Warwick agreement and pressure from the unions—their paymasters—caused them to change their minds. Employment legislation has moved on tremendously since 1948, when the Agricultural Wages Board was set up. They are supporting an analogue solution in a digital age.

Andrew George (St Ives) (LD): Notwithstanding the previous question, does my right hon. Friend not agree that potential new, young entrants will be looking closely at the common agricultural policy reform proposals published by the Commission yesterday? Although there are welcome proposals with regard to payments to young farmers, does she not agree that many of the other proposals would undermine the competitiveness of the future of British and, indeed, European agriculture?

Mrs Spelman: Yes. I thank my hon. Friend for that. The House will be aware that the Commission has just published its proposals to reform the CAP, and I am afraid that they are disappointing. We will do all we can to improve them. We need agriculture that is competitive, market oriented and successful, to attract new entrants, but at first sight—we need to do more analysis—the Commission's proposals seem extremely bureaucratic and do not move us in the right direction.

Bats in Churches

4. **Tony Baldry** (Banbury) (Con): What recent discussions she has had with (a) the Secretary of State for Culture, Olympics, Media and Sport and (b) Natural England on the effects of bats on churches and other listed buildings. [73880]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): The Secretary of State has met church building representatives to discuss the issues, and Natural England is working closely with them to find solutions to difficult cases. We have had no discussions with the Department for Culture, Media and Sport on the issue.

Tony Baldry: My hon. Friend's family have the patronage of the livings of a number of churches, so he will know more than most Members about the damage done by bat faeces and urine to church fabric. May I exhort him to encourage Natural England to do much more to work with English Heritage to try to ensure that, while bats continue to have their statutory protection, they do not have it at the cost of irreparable damage to our parish churches?

Richard Benyon: As someone who loves bats and is a reasonably regular churchgoer, I suppose that I am qualified to talk about this. There is a serious point: of course, we want to abide by the habitats directive and, in most cases, working with Natural England, we can resolve these issues locally, but it would be ridiculous if churches that have been used for worship for hundreds of years become unusable owing to a too-close following of the directive. There must be a common-sense way forward. I am happy to work with my hon. Friend in his capacity as the Second Church Estates Commissioner to ensure that we have sensible policies on the issue.

Miss Anne McIntosh (Thirsk and Malton) (Con): At St Hilda's church in a parish near Thornton-le-Dale parish, the bats are allowed to use the church but the congregation is not. Have we not reached a ridiculous state of affairs when bats have greater protection than the congregation?

Richard Benyon: I am aware of the issue at St Hilda's. If that really is the case, we have reached an absolute impasse. We must consider finding an alternative means to provide a place where bats can roost and people can worship. That is one of the reasons why the Government have put all wildlife legislation in the Law Commission's hands—to make absolutely certain that we are not gold-plating our interpretation of the directive. I assure my hon. Friend that I will work with her and any other Member if they find examples where we have hit the buffers and cannot find a way forward.

Common Fisheries Policy

7. **Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): What recent discussions she has had on reform of the common fisheries policy. [73883]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): As UK Fisheries Minister, I continue to have discussions about the reform of the common fisheries policy with a wide range of people and organisations, including the EU Commission, Members of the UK and European Parliaments and ministerial colleagues from other member states, as well as representatives of fishing and related industries. I will continue to press our case for reform, as the negotiations develop in the Council and European Parliament.

Oliver Colvile: May I urge my hon. Friend to press for UK fishing waters to come back under UK control, and to sort out the loopy idea that the Austrians might end up having a vote on the common fisheries policy even though they do not have a single piece of coastline?

Richard Benyon: I understand my hon. Friend's concerns. That debate will perhaps be had at a higher level than mine, but he should remember two things. First, we are dealing with an industry in crisis, so urgency is a real factor for those involved in the fishing industry, both in his constituency and everywhere else. Secondly, we would need a mechanism for dealing with other countries whether we were covered by the common fisheries policy or not, because fish do not respect borders. We would have to continue to deal with historical fishing rights, which go beyond our membership of the common fisheries policy. I take seriously my responsibility, given the door that has been opened by the Commission's position on the subject, to push for real, genuine, radical reform that can improve the situation for fishermen and the marine environment.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Alongside CFP reform, the ongoing mackerel dispute with Iceland and the Faroe islands continues to cause great concern, not just for pelagic fishermen but for the white fish fleet and fish processors. Will the Minister update the House on the progress of negotiations with Iceland and tell us, in the event of a deal, what recompense will be made available to Scottish fishermen? Might it possibly take the form of additional quota?

Richard Benyon: I cannot give the hon. Lady that precise information at the moment. I can tell her that there has been a slight improvement in the relationship with the Icelanders, and I hope that we can build on that. I am still pessimistic about our discussions with the Faroese, but I assure her that I will keep her closely involved, because we are talking about our most valuable fishery. It is sustainable, and we face a severe risk of losing marine stewardship accreditation for the stock, which would cause great harm to her constituents and our economy.

Sheryll Murray (South East Cornwall) (Con): For the first time, I do not have to declare an interest in the subject.

Will the Minister update the House on any representations that he has made during the ongoing negotiations to enable the United Kingdom to introduce a higher standard of fisheries management for all fishing vessels fishing within our 12-mile limit, and say whether any member states have pledged support for that?

Richard Benyon: I continue to work with other member states to get across our view that where we are creating marine conservation zones outside the 6-mile limit, we should not be controlling the activities of our fishermen while allowing fishermen from other countries to continue to operate as they did. There has to be a level playing field. On fisheries safety and the development of control orders, which came in under the previous Government, this is the opportunity to make sure that fishermen from other countries behave as we require our fishermen to behave. It is really important that we follow through with that. We have allies in Europe, and I am determined to make sure that an even-handed approach is taken.

Agricultural Science

8. **George Freeman** (Mid Norfolk) (Con): What recent assessment she has made of the role agricultural science can play in promoting growth. [73884]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): New science and innovation is essential to enhancing the competitiveness and resilience of the UK and wider EU agricultural sectors. As the House will know, Lord Taylor of Holbeach recently joined the ministerial team of the Department for Environment, Food and Rural Affairs. Lord Taylor is, of course, the architect of the Taylor review, which explored the role of science in agriculture, and which the Government are taking forward.

George Freeman: I thank the Secretary of State for that answer and congratulate her Department on everything that it is doing to drive a sustainable recovery and unlock growth in our agricultural sector. I am sure that she, like me, will have seen the news last week from the world-class John Innes Centre and the Institute of Food Research about the launch of the new glucoraphanin-enhanced broccoli with the potential to reduce heart disease and some cancers. Does she agree that our often overlooked agricultural research base has huge potential to unlock new markets around the world, and will she meet representatives of the sector and me to see what more we can do to help?

Mrs Spelman: I would be delighted to meet my hon. Friend. Not only did I read about the new variety of broccoli, but my right hon. Friend the Minister for Universities and Science actively referred to the benefits that it can bring. It is a very good example of the benefits of investing in research on agriculture and agri-food. The Government spend £400 million on agri-food research and development, and DEFRA spends £65 million per annum on agri-food R and D, including on animal health and welfare.

Roger Williams (Brecon and Radnorshire) (LD): The proposals announced yesterday for the reform of the agricultural policy include sums of money for promoting agricultural science. Will the Secretary of State please ensure that that is carried forward into the final proposals, and that Britain has its fair share of that money?

Mrs Spelman: I have no hesitation at all in agreeing with that and welcoming that part of the CAP reform proposals. It is very important that European agriculture is innovative and that the industry becomes more competitive and market orientated. That must be done with the support of research and development in agriculture. That is an element of the proposals that we warmly welcome.

Badgers

9. **Graeme Morrice** (Livingston) (Lab): What representations she has received from the scientific community on her plans to pilot the free shooting of badgers. [73885]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): We have received a large number of representations, including from members of the scientific community. DEFRA's chief scientific adviser, Professor Bob Watson, has also discussed the evidence with a group of leading scientists, who were able to agree on a number of key points. Their conclusions have been published on DEFRA's website.

Graeme Morrice: I thank the Minister for his answer, but why is he blindly following the free shooting option and excluding others, such as vaccination, regardless of the scientific advice, and why did he cancel five of the six vaccination trials entered into by the previous Labour Government?

Mr Paice: I am afraid that the hon. Gentleman is wrong. We are not blindly ignoring vaccination, which we have always said has a role to play. Indeed, it is being carried out at the moment in some parts of the country. The simple fact, as we have published, is that our veterinary advice states that we can have a greater and swifter impact on bovine TB through a culling policy than through vaccination. With regard to what he called the trials that I cancelled, they were not trials of the vaccine, but deployment projects, and we decided that we could achieve all that we needed in one project, rather than wasting another £6 million on the others.

Mr James Gray (North Wiltshire) (Con): Farmers across North Wiltshire are being ruined by TB in cattle and very much welcome the recent announcement that the Government will press ahead with a limited cull. Does the Minister agree that selected tests so far have shown a 27% reduction in bovine TB and that, although there was perturbation, as they call it, around the edge of the trial area, it is shown to have been reduced in subsequent years?

Mr Paice: My hon. Friend is perfectly correct. The results of the Krebs trials, which were conducted by the independent scientific group on cattle TB, demonstrated that after nine years—long after the end of the trials themselves—there was a reduction of 27%, and even 29%, in the cull zone, which was slightly offset by a temporary increase in the peripheral area. What matters, however, are the measures that are taken to reduce that increase, which is why we are now saying that any group or farmer must now put forward their own ideas about how they will minimise this perturbation.

Mary Creagh (Wakefield) (Lab): In a parliamentary answer to me on 5 September, the Minister said that the science showed that his badger cull would lead to five fewer herd breakdowns a year in each cull area. Last year there were more than 2,025 confirmed herd breakdowns in England, so even with 10 cull areas after 2013 the cull would prevent just 50 herd breakdowns a year, a reduction of only 2.5%. However, the cost to farmers in cull areas will run to tens, if not hundreds, of thousands of pounds. Why should they bother?

Mr Paice: I suggest that the hon. Lady asks the farmers. As my hon. Friend the Member for North Wiltshire (Mr Gray) has just said, the farming community is anxious to do something after 13 years of neglect under the Labour party. Of course it will be expensive for the groups of farmers involved, but that is up to them. This is one part of a large package of measures, all the rest of which the Government are doing.

Mary Creagh: The Minister says "do something", but surely doing something effective is more useful. We know that the Home Secretary has objected to the cull and is concerned that it will divert scarce police resources away from policing the Olympic games next summer. The latest impact assessment, the consultation for which has just closed, put no figure on the costs, although last year's consultation put the costs at £200,000. Have those costs risen or fallen since then and will he undertake to make them public so that taxpayers can see how much they are contributing to the cull before a final decision is taken on whether to proceed?

Mr Paice: I am glad the hon. Lady recognises that no final decision has been made, a point that I need to emphasise. The fact is that the proposals that we laid before the House, and the consultation that has just finished, were agreed by the whole Government. On the policing costs, we are in discussions, and have been for some months, with the Association of Chief Police Officers. Its attention was unfortunately but quite understandably diverted by the disturbances and riots, so it has only recently refocused, but I assure the hon. Lady that all that information will be used and involved in the final decision, when we bring it to the House.

Tessa Munt (Wells) (LD): Living as I do in the west country, I know that the Minister will be aware of our concerns not only about bovine TB, but about several other things. I gather that the Secretary of State has put together a proposal to close the vet labs in various places throughout the country, and I wondered what the rationale was for that, particularly in an area where bovine TB is such a problem.

Mr Paice: I am grateful that my hon. Friend allows me to correct her impression slightly. The decision, which will be made quite rightly by the Animal Health and Veterinary Laboratories Agency, results from the merger of two agencies into one. All that is being closed is the actual laboratories that undertake scientific testing. The post-mortem centres are not proposed for closure, and most samples are already sent by post anyway, so it does not represent in any way a diminution of service.

Dangerous Dogs

10. **Julie Hilling** (Bolton West) (Lab): What plans she has to bring forward proposals to deal with antisocial behaviour by dogs and their owners. [73886]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): As the House is aware, the Home Office has already consulted on changes to the tools and powers to tackle antisocial behaviour, including antisocial behaviour involving dogs, and is considering the responses. The Department for Environment, Food and Rural Affairs is also considering a range of further measures to promote more responsible ownership of dogs and will make an announcement shortly.

Julie Hilling: When my constituent Pat Brennan was savaged by a bull mastiff, he was told that there was nothing he could do because the attack took place on private property. How many more people have to die or be maimed for life before the Government act?

Mr Paice: I am tempted to point out the lack of action by the previous Government, but the much bigger issue is that, as the consultations have demonstrated, some results of which have been published, there is a massive variety of ideas on the best way forward. On the specific issue of private property, that is one thing we consulted on and one thing being considered, but the problem is how we differentiate between an assault on a postman or somebody who is lawfully present and an assault on somebody who may be trespassing or a criminal.

Mr David Nuttall (Bury North) (Con): May I urge the Minister, when he discusses the issue with colleagues throughout the Government, to impress upon them the need to ensure that anyone who encourages their dog to attack a guide dog used by a blind or partially sighted person is very severely punished indeed?

Mr Paice: Obviously, punishment is precisely a matter for the courts, but I entirely agree with my hon. Friend's sentiment, and the Home Office has fully taken that point on board.

Huw Irranca-Davies (Ogmore) (Lab): I am glad to be back, as proof that this Opposition are serious about recycling.

Far too many people, including children, are being needlessly killed or maimed by dangerous dogs, and the numbers are rising every single year. Twenty organisations, including the Royal Society for the Prevention of Cruelty to Animals, the Kennel Club, the Guide Dogs for the Blind Association, Battersea Dogs and Cats Home, the Royal College of Nursing and the Police Federation, are calling for a change in the law. The Northern Ireland Assembly and the Scottish Parliament have already acted, so, 16 months after the end of the consultation and when the Minister said in July that the Government ruled nothing out, will he now rule something in and bring forward his proposals before Christmas at the very latest?

Mr Paice: There speaks the authentic voice of 13 years of inaction—and the hon. Gentleman now criticises us about 16 months. We have shadowed each other, and I respect his integrity and admire him, but he is really stretching credibility. I assure him that, as soon as the Home Office has finished considering its consultation, which finished only recently, we will come together to the House with our proposals as soon as possible.

Wild Animals in Circuses

13. **Dr Julian Huppert** (Cambridge) (LD): What recent progress she has made in banning the use of wild animals in circuses. [73889]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The Government fully understand the House's desire for a ban and are continuing to look at how the legal obstacles may be overcome so that one can be achieved. In the meantime, we are developing a tough licensing regime that will stop circuses using animals if they do not provide appropriate welfare standards. We will consult on these early next year, and I hope that they will be in place by July of next year.

Dr Huppert: As the Minister will no doubt recall, on 23 June there was a simply stunning cross-party debate on this issue which concluded unanimously with this House directing the Government to make sure that these regulations took effect by 1 July 2012. Can he assure us that he will make sure that the Government do deliver on this, absolutely definitely?

Mr Paice: As I have just said, despite the clear view of the House, which the Government share, we cannot ignore our international legal responsibilities—that is why we are still continuing with our regulatory proposals—but we want to be able to implement the ban as soon as we can when the legal obstacles are cleared up. Since the debate to which my hon. Friend rightly refers, a lot more legal advice has come to us, either having been sought or offered, and it all confirms that which I reported at that stage.

Topical Questions

T1. [73897] **Mrs Linda Riordan** (Halifax) (Lab/Co-op): If she will make a statement on her departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): My Department takes responsibility for safeguarding the environment, supporting farmers, and strengthening the green economy. In line with that, I have just returned from the Rio+20 preparations in Delhi, where good progress was made in identifying areas of common ground on sustainable agriculture and energy, resource efficiency and inclusive growth for what I hope will prove to be a successful summit next year.

I have referred to the CAP reform proposals published yesterday. We are currently scrutinising the full document for its impact on all parts of the United Kingdom, and it will of course come before the European Committees in due course.

Mrs Riordan: The Forestry Commission's current consultation proposes to reduce educational visits to public forests in England from 43,000 per year to just 15,000 per year. Will the Minister commit to consult teachers, parents and Forestry Commission staff over this shocking attack on children's outdoor education?

Mrs Spelman: Obviously, the Forestry Commission is responsible for taking decisions in relation to its own budget, but this is a consultation and I will certainly look into the matter. In response to an earlier question, I said how important it is that young people are able to engage with nature, including with our woodlands and forests. Through the Rural Development Programme for England, we make it possible for young people to do that, and we would actively encourage the Forestry Commission to consider this as well.

T7. [73904] **Caroline Dinenage** (Gosport) (Con): The Minister will be aware that the Fishery Protection Squadron is the oldest squadron in the Royal Navy. Does DEFRA see an enduring role for fishery protection within the Royal Navy once the current arrangements finish in 2013?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I much enjoyed a visit to HMS Mersey and boarding a trawler from another country, and I was impressed by the squadron's professionalism and approach to the whole job. It is at an advanced stage in negotiations with the Marine Management Organisation on the continuance of this contract. I very much hope that that can be achieved, because I share my hon. Friend's view that it is a very professionally run operation that is doing great service not only to our fishing industry and the maintenance of our waters but to our national security.

T2. [73898] **Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): The Animal Health and Veterinary Laboratories Agency has announced proposals to close eight of its labs, including both Welsh sites at Aberystwyth and Ceredigion. I am informed that closure of the Welsh sites will result in a 24-hour delay in diagnosing livestock diseases—an unacceptable period that could leave the communities I represent terribly exposed. Does the Minister agree that it is a disgrace that this decision was made without any consultation with the Welsh Government or the farming and workers trade unions?

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): As I mentioned earlier, this was a decision by the agency, but I understand that it was discussed with the equivalent agency and the chief vet in Wales. No sites are being closed. As I said, this is purely about the laboratory aspect, not the post-mortem aspect. I agree that 24 hours extra delay may be unacceptable, but that is not what is expected; we expect timeliness to remain as it is.

T8. [73905] **Tony Baldry** (Banbury) (Con): Can my right hon. Friend the Secretary of State confirm when she expects to receive the final report of the Independent Panel on Forestry?

Mrs Spelman: I am pleased to say that the chairman of the panel, the Bishop of Liverpool, James Jones, has recovered well from his operation and is back at work. That has not in any way affected the timetable for the publication of the final report, which will still happen next spring. When speaking to Bishop James Jones last week, he assured me that the interim report will be received by the Department in November.

T3. [73900] **Jessica Morden** (Newport East) (Lab): The Labour-led Welsh Assembly Government this month made Wales the first part of the UK to introduce a carrier bag charge. That was done not to raise money but to encourage reuse and avoid waste. Is the Secretary of State willing to take the lead from Wales, in view of the Department's recent back-tracking on recycling?

Mrs Spelman: I do not accept the accusation of back-tracking. My Department has the first waste review policy for 20 years. We are certainly looking at the Welsh proposal and we should consider everything that might deal with elements of litter that are part of our waste prevention strategy. At a European level, the European Commission is looking at the Italian Government's proposal to ban plastic bags. That has to be considered in a single market context.

T9. [73906] **Stephen Mosley** (City of Chester) (Con): The Shropshire Union canal runs through the heart of Chester and is much-loved by canal users, fishermen and local residents. How can local people and canal users get involved in the new north Wales and borders waterways partnership to help support the future of our local canals and inland waterways?

Richard Benyon: The good news that the launch of the canal and river trust is on schedule will be welcome to my hon. Friend's constituents and all who know and love their canals. There is a plethora of ways in which they can get involved. They can take part in their local partnership, which, following our consultation, will have a much more local focus. I look forward to working with him and other hon. Members to ensure that the new charity is a great success.

T4. [73901] **Lisa Nandy** (Wigan) (Lab): Farmers and food suppliers in Wigan are desperate for the protection of a groceries ombudsman from the unfair practices of supermarkets. The Government recently promised a Bill to implement that proposal very soon. Will the Secretary of State put pressure on her colleagues to ensure that "soon" really will be soon?

Mr Paice: The short answer is yes. As the hon. Lady knows, a draft Bill has been published and has been considered by the Business, Innovation and Skills Committee. The Committee's report has gone to the Department for Business, Innovation and Skills recently. It is that Department's Bill, but we are pressing hard for it to be passed as soon as possible.

Mary Macleod (Brentford and Isleworth) (Con): I welcome the Government's negotiations in Europe on food labelling, but I urge my right hon. Friend to ensure that we maintain the flexibility to keep the things that Britain holds dear, such as buying eggs by the dozen and beer by the pint.

Mr Paice: I am grateful for my hon. Friend's words. This is a policy commitment that the Government have delivered on very clearly. We promised honest labelling and we now have a voluntary code in this country and mandatory country of origin labelling across a lot of products in Europe. I entirely agree with her point about quantities; Britain has its traditions and we want to stick to them.

T6. [73903] **Alex Cunningham** (Stockton North) (Lab): Food prices have risen by 6% in the last year, costing a family with two young children an extra £350 a year. When will the Secretary of State do something positive to tackle speculation in food prices and its impact on families?

Mrs Spelman: The underlying cause of rising food prices is, of course, rising global prices of food commodities. The market fundamentals are the driver of that. Supply and demand is tight. We have to feed a hungry world, which will possibly have 9 billion people by 2050, as the Government's own Foresight report says. That is why this Government and my Department have set a priority of producing more food sustainably.

Duncan Hames (Chippenham) (LD): I welcome the Minister's announcement about the canal and river trust. What plans does he have to ensure that its decision-making is transparent and accountable? Indeed, will he consider applying to it the Freedom of Information Act?

Richard Benyon: I am grateful for the opportunity to point out that all the provisions that currently exist for British Waterways in that regard will follow through to the new charity. If the new charity is to have the credibility that it must have, it is important that we assure all those who really mind about this matter that we are protecting those rights.

Angela Smith (Penistone and Stocksbridge) (Lab): On 6 July, in a Westminster Hall debate on dangerous dogs, the Minister said in his response that there was

> "real evidence that the situation is worsening"

and that

> "Action must, therefore, be taken."—[*Official Report*, 6 July 2011; Vol. 530, c. 485WH.]

Given that admission, is it not morally reprehensible that even today he refuses to give a date for a response to the consultation started by the previous Government?

Mr Paice: As I said earlier, the Government are fully committed on the matter, and I do not resile from anything that I said in that debate. However, as I have just mentioned, the Home Office rightly decided to examine the wider issues. *[Interruption.]* Hon. Members are bleating from the Opposition Front Bench, but they know as well as I do that much of the problem is the people, not the dogs. That is why it is right that the Home Office should be involved, but we will bring forward our proposals as soon as we possibly can.

Martin Vickers (Cleethorpes) (Con): I am frequently advised by potential investors in my constituency that they lack confidence in the planning process due to delays caused by Natural England. Can the Secretary of State assure me that she will look into that and ensure that Natural England is mindful of the commercial pressures on investors?

Mrs Spelman: Natural England is a statutory consultee in the planning process, but I certainly give my hon. Friend an undertaking that I will look into the case in question. There is, of course, a balancing act, and Natural England is responsible for ensuring that directives that the previous Government and their predecessors signed up to are complied with correctly, but I will look into that specific case with urgency.

Ian Paisley (North Antrim) (DUP): In light of the meeting that is to take place on 25 October between the Secretary of State and the Ministers from the devolved Assemblies across the United Kingdom, will she set out what the agenda for that meeting is going to be? Will she assure us that CAP reform will be on the agenda, and that she will listen carefully to the needs of representatives of the rural regions across the UK and of the 40,000 farmers in Northern Ireland who rely on the CAP as it currently stands?

Mrs Spelman: I give the hon. Gentleman that assurance. We are due to meet devolved Administration Ministers on 25 October, and agricultural reform is on the agenda. I expect that they will attend the Agriculture Council meeting next week, as I have encouraged them to, and we will work very closely with them. I hope the hon. Gentleman noticed that when I referred to how the Government were looking at CAP reform, I said that we would examine its impact on all parts of the United Kingdom.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Local Infrastructure Investment

1. **Julian Smith** (Skipton and Ripon) (Con): What assessment the Church Commissioners have made of the potential opportunities for the Church of England to work with other parts of the community to attract public funds for local infrastructure investment. [73907]

The Second Church Estates Commissioner (Tony Baldry): The Church of England and the Church Commissioners will always take every opportunity to work with local partners for the benefit of local communities.

Julian Smith: Ripon cathedral plays a really important role in our local community, bringing together community groups and developing the economy of Ripon as a whole. Will my hon. Friend pass on the positive feedback about the cathedral's role, which could be an example for other cathedral towns across England?

Tony Baldry: Absolutely, I would of course be very happy to do that. Ripon cathedral is the oldest English cathedral—its crypt dates back to 672—and for centuries it has been at the heart of Ripon. I hope that every possible local organisation will work with the dean and chapter to help enhance the vitality of Ripon. The Church Commissioners will certainly engage positively in whatever way we can to support that.

Metal Theft (Churches)

2. **Mr David Nuttall** (Bury North) (Con): What recent discussions the Church Commissioners have had with the Home Office on reform of the Scrap Metal Dealers Act 1964 for the purposes of reducing the incidence of theft of metal from churches. [73908]

6. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): What resources the Church Commissioners plan to make available to churches that have been subject to theft or vandalism. [73912]

Tony Baldry: I shall place in the Library a copy of the Church Buildings Council's report on metal theft, which concludes that the 1964 Act is no longer fit for purpose.

Mr Nuttall: As my hon. Friend will be aware, the theft of metal from churches is costing them an estimated £1 million a month. Has he yet had any indication whether the recommendation made in the Church Buildings Council's working party report of March this year—that cash payments by scrap yards for metals such as lead should be prohibited—will be accepted?

Tony Baldry: We are working very closely with Ministers to achieve that, and we have a meeting in the very near future with the noble Lord Henley to try to take it forward. I think that there is general agreement among everyone who has examined the matter that we need to take cash out of the transactions. It is too easy at present for people to strip churches of lead at night, go to a scrap yard the next day, get cash and walk away. The people who are suffering from that are in the most vulnerable communities in our society.

Mr Sheerman: The hon. Gentleman will know of St John's in Birkby, which had its steeple pulled down by people stripping the lead from the roof, and of the immense cost that the parish incurred. I certainly agree that we need to amend the scrap metal legislation, but we also need to consider the level of compensation and insurance premiums.

Tony Baldry: I absolutely agree with the hon. Gentleman. The thieves, in that case, simply wanted the lightning conductor, but in trying to get it they almost destroyed the whole church, because they pulled the steeple down into the church. One of the penalties for churches that have their lead stripped is that the insurers thereafter will refuse to insure them, so all the burden falls on local communities and parishes. This is an epidemic that we need to grasp and solve. It simply cannot continue.

Kate Green (Stretford and Urmston) (Lab): In my constituency, St Brides church in Old Trafford suffered the theft of its church bell. One of the reasons we are particularly vulnerable to such offences is the presence of a large scrap metal yard in the constituency. Will the hon. Gentleman join me in putting pressure on the Home Office not just to amend the Scrap Metal Dealers Act 1964, but to ensure that the police are adequately resourced to deal with these increasing levels of crime?

Tony Baldry: I am glad to say to the hon. Lady that I think that police forces up and down the country are now taking this issue seriously, not just because of the theft of lead from churches, but because of the theft of copper from railway signalling devices. The theft of metals has now gone significantly up the agenda of police forces across the country.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

United Kingdom Elections

3. **Sajid Javid** (Bromsgrove) (Con): What recent recommendations the Electoral Commission has made to the Government on the running of UK-wide elections. [73909]

Mr Gary Streeter (South West Devon): The Electoral Commission has made a number of recommendations to the Government on the administration of UK-wide elections, most recently in its report on the 2010 parliamentary general election. The commission has recommended that the Government set out a comprehensive plan to improve the management of elections and to make it easier for voters to participate.

Sajid Javid: Although the result of the recent alternative vote referendum was probably predictable from the beginning, it was nevertheless a very well-run process. Are there any lessons that we can learn from that for future UK-wide elections?

Mr Streeter: I am grateful to my hon. Friend, who is being very perceptive, because there has been widespread public appreciation of how the UK referendum was run earlier in the year. The commission will be publishing a report next Wednesday that will make a number of recommendations for improving the delivery of all future UK-wide elections and will, in particular, emphasise the benefits of central co-ordination.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): What consideration has the Speaker's Committee on the Electoral Commission given to ensuring the integrity of the UK-wide franchise? We are hearing of proposals from the Scottish Government to extend the franchise to 16 and 17-year-olds for their proposed referendum on Scotland separating from the UK.

Mr Streeter: The commission takes all such issues very seriously, and although I do not have a lot of knowledge of that particular issue, no doubt the commission is considering it. If I can respond to the hon. Gentleman in writing, I shall certainly do so.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Bats

4. **Miss Anne McIntosh** (Thirsk and Malton) (Con): What assessment the Church Commissioners have made of the effects of bats on churches; and if he will make a statement. [73910]

The Second Church Estates Commissioner (Tony Baldry): I am sure that many in the House will be concerned about the damage done by bats in church buildings. Although all species of bats have statutory protection, considerable damage has been caused to church fabric by bat droppings and bat urine.

Miss McIntosh: My hon. Friend is familiar with, and has taken up, the case of St Hilda's church, but it is unacceptable that the congregation is not allowed to pray and worship in the church because the Department for Environment, Food and Rural Affairs and Natural England are taking a leisurely pace to exclude the bats from the church. The bats would not be excluded completely, but would have a different access point. May I ask him to use his good offices to speed this procedure along so that the congregation can worship normally in St Hilda's church?

Tony Baldry: My hon. Friend and the whole House will have heard the comments at the Dispatch Box earlier from the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury (Richard Benyon). I think that the House will recognise that he acknowledged that there is a problem here that needs to be addressed. I hope that my hon. Friend the Member for Thirsk and Malton (Miss McIntosh), who chairs the Environment, Food and Rural Affairs Committee, will work with the church authorities, Natural England and all of us in trying to strike a much better balance and in making appropriate representations to the Law Commission to ensure that we do not gold-plate the habitats directive in a way that prejudices people against bats.

Archbishop of Canterbury's Visit to Africa

5. **Richard Graham** (Gloucester) (Con): What reports he has received on the outcome of the Archbishop of Canterbury's recent visit to Africa. [73911]

Tony Baldry: The Archbishop of Canterbury, as spiritual leader to the worldwide Anglican community, was invited to make a pastoral visit to Malawi, Zimbabwe and Zambia by the Archbishop of Central Africa, the right reverend Albert Chama. The purpose of the visit was primarily to meet with bishops, clergy and parishioners to celebrate the life and ministry of the Anglican Church in the region and to strengthen ties with the Anglican communion. In the course of his visit the Archbishop of Canterbury met the Presidents of Malawi, Zimbabwe—Robert Mugabe—and Zambia, and the Prime Minister of Zimbabwe, Morgan Tsvangirai.

Richard Graham: I am grateful for that response. Several of my constituents in Gloucester have told me that they thought that the archbishop's visit showed real moral courage. How much confidence does my hon. Friend have in Zimbabwe Prime Minister Morgan Tsvangirai's pledge to ensure that the rule of law is applied and to allow Christians to worship in peace?

Tony Baldry: I would hope that the whole House would share that view about the courage of the Archbishop of Canterbury. By his preaching and presence in Africa he will have given immense encouragement to the persecuted Church there. The Archbishop of Canterbury in Africa has made a direct challenge to tyranny and given words of hope for the oppressed. The archbishop made it clear to President Mugabe that he should use his powers as Head of State to guarantee the security of Zimbabweans who worship with the Anglican Church and put an end to illegal and unacceptable behaviour—beatings and other degradation—that has been visited upon people simply because they are Christians.

Mr David Winnick (Walsall North) (Lab): On one of the very few occasions when I can agree with Conservative Members, let me say that many of us are deeply impressed by the way the Archbishop of Canterbury spoke the truth to Mugabe and urged him to stop the violence and thuggery that has unfortunately occurred over the past few years. The Archbishop of Canterbury has undoubtedly given a tremendous lead to decency.

Tony Baldry: This is one of the few occasions when I have agreed with the hon. Gentleman, and I hope that the whole House would do so too.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Police Commissioner Elections

7. **Hugh Bayley** (York Central) (Lab): What estimate the Electoral Commission has made of the cost of holding elections for police commissioners. [73914]

Mr Gary Streeter (South West Devon): The Government included an estimate of the cost of holding elections for police and crime commissioners in May 2012 in their original impact assessment. When the Government proposed to move the date of the elections to November 2012, the commission advised Parliament that additional costs would arise from holding a stand-alone election and that it would be important to ensure adequate resources were in place. The commission has made no separate estimate of the cost of holding those elections.

Hugh Bayley: In North Yorkshire—just to give an example from one county—the Government have cut funding for the police from £54 million to £47 million in just two years. Will the hon. Gentleman make representations to the Electoral Commission to do all it can to reduce the cost of the elections and urge the Government to vire the money saved back into front-line policing?

Mr Streeter: I think the hon. Gentleman is raging against the policy rather than the Electoral Commission's role in it. The costs are those incurred by the Government and local authorities, not the Electoral Commission, but I am sure that his plea for the cost of the elections to be minimised will be heard in the appropriate quarters.

Local Referendums

8. **Robert Halfon** (Harlow) (Con): What recent discussions the Electoral Commission has had on giving communities the power to hold local referendums; and if he will make a statement. [73915]

Mr Streeter: The Electoral Commission has had no recent discussions on giving communities the power to hold local referendums. It has, however, set out its views on the proposals contained in the Localism Bill in briefings to Parliament. The commission's priorities are that any referendum should be consistently well run and that the question put to voters should be intelligible and unbiased.

Robert Halfon: I thank my hon. Friend for his answer. In Harlow a planning application for a waste transfer site has been pushed through by Essex council against the will of local residents, the Tany's Dell primary school and Harlow council. How soon will the powers for local referendums be put in place, so that Harlow people can have their say?

Mr Streeter: As ever, my hon. Friend is a doughty champion for the people of Harlow, but he will know that the local referendum provisions are contained in the Localism Bill, which is currently going through the House of Lords. Once the Bill has received Royal Assent, the Government will then need to produce detailed rules for local referendums, which the Electoral Commission will study very carefully indeed, so I am afraid that his constituents may have to wait a little while longer.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Coptic Christians (Egypt)

9. **Fiona Bruce** (Congleton) (Con): What support the Church Commissioners are providing to Coptic Christians in Egypt. [73916]

The Second Church Estates Commissioner (Tony Baldry): Church of England mission agencies, as well as the diocese linked with the region, continue to provide much needed pastoral support to Egypt's beleaguered Christian minority. Bishop Mouneer, the Anglican Bishop of Egypt, North Africa and the Horn of Africa, is based in Cairo and is in regular contact with the leadership of the Egyptian Coptic Church.

Fiona Bruce: I thank my hon. Friend for that reply. Does he agree that, if the new regime in Egypt is to be taken seriously, it must ensure that the murder, victimisation and torture of Christians there ceases?

Tony Baldry: I entirely agree with that, and I am glad to say that my right hon. Friend the Foreign Secretary has made exactly that point to the Egyptian authorities this week. He has told them that they cannot be taken seriously unless they afford proper protection to the Christian minority in Egypt, which, after all, forms something like 20% of the population of that country.

Mr Speaker: There is just time for Mr Simon Hughes.

Hon. Members: "Hear, hear!"

Simon Hughes (Bermondsey and Old Southwark) (LD): I am grateful, Mr Speaker. There is always just time.

Will the hon. Gentleman ask the Church Commissioners to work with the Government to ensure that the issue of Christian minorities not only in Egypt but in other countries such as China where they are being heavily persecuted will be taken up internationally and by the United Kingdom Government?

Tony Baldry: I entirely agree with that. In fairness to the Foreign Secretary, he has been a doughty champion of the need to protect persecuted Christians throughout the world, whether in Pakistan, China or Egypt. It is very important that religious freedom should involve freedom for everyone, irrespective of their religion and of where they wish to practise their religion.

Business of the House

11.31 am

Ms Angela Eagle (Wallasey) (Lab): Will the Leader of the House please give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 17 October will be:

MONDAY 17 OCTOBER—Motion relating to MPs' pensions, followed by motion relating to disclosure and publication of documents relating to the 1989 Hillsborough disaster. The subject for this debate was nominated by the Backbench Business Committee.

TUESDAY 18 OCTOBER—Remaining stages of the Pensions Bill [*Lords*].

WEDNESDAY 19 OCTOBER—Opposition day (unallotted day). There will be a debate on energy prices followed by a debate on individual voter registration. Both debates will arise on an Opposition motion, followed by consideration of Lords amendments to the Armed Forces Bill.

THURSDAY 20 OCTOBER—General debate on national planning policy framework.

FRIDAY 21 OCTOBER—Private Members' Bills.

The provisional business for the week commencing 24 October will include:

MONDAY 24 OCTOBER—Remaining stages of the Legal Aid, Sentencing and Punishment of Offenders Bill (day 1).

TUESDAY 25 OCTOBER—Continuation of remaining stages of the Legal Aid, Sentencing and Punishment of Offenders Bill (day 2).

WEDNESDAY 26 OCTOBER—Conclusion of remaining stages of the Legal Aid, Sentencing and Punishment of Offenders Bill (day 3).

THURSDAY 27 OCTOBER—Business nominated by the Backbench Business Committee.

For the convenience of the House, I wish to announce the proposed calendar for the coming year. We intend for the House to rise at the close of play on Tuesday 15 November, returning on Monday 21 November, meaning that we will not sit on two days—Wednesday 16 November and Thursday 17 November—as previously planned. The House will rise for the Christmas recess at the close of play on Tuesday 20 December, returning on Tuesday 10 January 2012.

The House will rise for the constituency break at the close of play on Thursday 9 February, returning on Monday 20 February. We will rise for the Easter break at the close of play on Tuesday 27 March, returning on Monday 16 April. We will rise for the Whitsun recess at the close of play on Thursday 24 May, returning on Monday 11 June. The summer recess will start at the close of play on Tuesday 17 July, returning on Monday 3 September. Finally, we will rise for the conference recess at the close of play on Tuesday 18 September, returning on Monday 15 October. All those dates will be put before the House for approval, and the dates for the Queen's Speech and private Members' Bill Fridays for the second Session will be announced in the usual way. All dates are subject to the progress of business, and a calendar is now available from the Vote Office.

Ms Eagle: May I thank the Leader of the House for his statement, especially for his giving us early notice of the annual calendar? Even if it changes slightly, it is an innovation that I think all Members of all parties will appreciate. May I also take this opportunity to welcome my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) as my deputy, and to pay tribute to the work done by my immediate predecessor, my right hon. Friend the Member for Leeds Central (Hilary Benn), who even as we speak is wrestling with the intricacies of the local government grant formula in his new shadow Cabinet role? I look forward to shadowing the Leader of the House. I note that he first came to the House in 1974, when I had only just arrived in big school. I hope that I can achieve a triumph of youth over experience on at least a few of these occasions.

Yesterday, the Prime Minister promised to look at publishing a full list of all the meetings of Ministers and officials with the Defence Secretary's self-styled adviser Adam Werritty. With further irregularities surfacing by the day, when will this list be published? Following the BBC's revelations on secretive wealthy donors running a shadow operation at the heart of one of Whitehall's most sensitive Government Departments, what are the implications for accountability and probity?

With unemployment hitting a 17-year high, youth unemployment at nearly 1 million and the highest levels of joblessness among women for more than 20 years, is it not time that the Government admitted that their economic plan is just not working? Even the Conservative Chairman of the Treasury Select Committee recently described the Government's action on growth as "piecemeal, contradictory and incoherent", so it was no surprise to see him being strong-armed round the corner for re-education by the Prime Minister's spin doctors at the Tory party conference.

Is not the utterly inadequate response from the Government in yesterday's debate on growth and jobs the clearest proof yet that they are in denial about the plight of millions of people now languishing on the dole? Will the Leader of the House therefore consider bringing forward the autumn statement so that we can take urgent action to implement Labour's five-point plan on growth and jobs and begin to deal with the soaring unemployment and the waste of potential that it represents.

Speaking of potential, I notice that the Prime Minister yesterday hosted a reception of FTSE 100 companies, exhorting them to promote more women into their boardrooms. With only four women in the entire Cabinet, is this not a case of the Prime Minister telling people to "do as I say, not as I do"? Perhaps if the Prime Minister had more women in his Cabinet he would be spared further embarrassment from some of the men he has in it. And while we are talking about the Energy and Climate Change Secretary, given our debate later today on electronic devices and tweeting from the Chamber, will the Government provide him with urgent training on how best to keep his fingerprints off the increasingly frequent briefings against his Cabinet colleagues?

Sir George Young: May I begin by warmly welcoming the new shadow Leader of the House to her post? She has been a Member since 1992 and has held a number of ministerial and shadow ministerial posts as well as serving on Select Committees as a Back Bencher. She is well placed to take on her new responsibilities and help us in our efforts to strengthen the House. I look forward to working with her and her deputy, the hon. Member for Penistone and Stocksbridge (Angela Smith), whom we also welcome, but the latter may have to clarify her role. I see from her website that she says:

> "Along with the Shadow Speaker of the House, I intend to make sure this government is held to account for its actions right in the heart of Parliament."

I am not sure whether you, Mr Speaker, will welcome this development and this new position.

Along with the hon. Member for Wallasey (Ms Eagle), I pay tribute to the previous shadow Leader of the House, the right hon. Member for Leeds Central (Hilary Benn), who had a deep understanding of, and affection for, the House. He will be much missed, as his bravura performances at the Dispatch Box every week were enjoyed on both sides of the House. Indeed, I believe he had to be moved because he risked overshadowing his leader on the Wednesdays. He now shadows my right hon. Friend the Communities and Local Government Secretary, and he may find that shadow a rather different profile from mine!

I welcomed what the hon. Lady said about the early announcement of the parliamentary calendar. I think that that is in the interests of the House and all who work here. In 2010 we were given the Easter recess dates two weeks before the Easter recess.

I am sure that the Prime Minister will honour the undertaking that he gave the House yesterday on the list of visits to Ministers as soon as the information has been dealt with. As for the other issue that the hon. Lady raised, the Cabinet Secretary is, as she knows, dealing with all outstanding issues and unanswered questions, and will complete his inquiry as soon as he can.

Yesterday's unemployment figures were grim. We debated the issue at some length yesterday in Opposition time, and the Prime Minister made clear that every job loss was a personal tragedy. We need to do all that we can to get people back to work. Youth unemployment, sadly, has been rising every year since 2004 and, given that it was rising during a period of growth, it will obviously be difficult to get it down during a period of challenging world recession. I will not repeat what the Chancellor said about 360,000 new apprenticeships, new sector-based work academies and the rest. We have had an Opposition day, and we are always ready to arrange another.

As for being in denial, I think that the Opposition are still in denial on the deficit. During the Opposition day debate, the shadow Chancellor could not bring himself to discuss the central Opposition policy that was announced in the Labour leader's conference speech. Perhaps that is proof that when it comes to constructive policies on the economy, the Government are the producers and the Opposition are the predators.

I will pass on the hon. Lady's comments about the need for more women in the Cabinet to my right hon. Friend the Prime Minister.

Several hon. Members *rose*—

Mr Speaker: Order. As usual, a great many right hon. and hon. Members are seeking to catch my eye. I remind the House that there is a statement by the Foreign Secretary to follow, as well as a series of heavily subscribed debates to take place under the auspices of the Backbench Business Committee. As a consequence, we need—from Back and Front Benches alike—brevity.

Claire Perry (Devizes) (Con): The whole House is waiting with bated breath to hear details of a written statement later today on improved transitional arrangements relating to changes in the women's state pension age. Government Members have fought very hard for that. Will the Leader of the House please give us some details of what he is expecting?

Sir George Young: My hon. Friend and neighbour might have seen the written ministerial statement that has just been published in the name of the Minister of State, Department for Work and Pensions, the hon. Member for Thornbury and Yate (Steve Webb), in which he says that he will

> "today table Government amendments to the Pensions Bill",

which we shall discuss on Tuesday,

> "including one that caps the maximum increase in women's State Pension age at 18 months, relative to the legislated timetable."

I am sure that Members on both sides of the House will welcome that announcement.

Mr Dave Watts (St Helens North) (Lab): May we have a debate on whether the funding of a charity or an individual to further the political interest of a Minister constitutes a donation in kind?

Sir George Young: That sounds like one of the issues to which I referred in my response to the hon. Member for Wallasey, and which may arise from the ongoing inquiry by the Cabinet Secretary. I honestly think that it makes sense to await the outcome of the inquiry, and in the meantime to allow the Secretary of State for Defence to get on with his job.

Mark Pawsey (Rugby) (Con): There is real concern about carbon taxation policy among industries that are large users of energy, such as CEMEX, which manufactures cement and is also a large employer in my constituency. May we have a debate on the matter, and on the need to ensure that UK industry remains competitive?

Sir George Young: I understand my hon. Friend's concern. He will know that the Chancellor of the Exchequer has said from this Dispatch Box that he is anxious to engage in dialogues with intensive users of energy who might be adversely affected by the changes, and who might be put at a competitive disadvantage in relation to other producers in Europe. I am sure that those dialogues are continuing, but I will bring my hon. Friend's concern to the Chancellor's attention.

Paul Flynn (Newport West) (Lab): May we have a debate to congratulate the Prime Minister on his wisdom in forecasting, just before the election, that the next major scandal affecting the House would involve lobbying? Unfortunately, the Prime Minister has done nothing about introducing his promised register.

Is this matter not quite separate from the inquiry into the Defence Secretary? Appalling accusations have been made that major lobbyists representing extreme views paid an individual who was not registered as a lobbyist,

[Paul Flynn]

did not register any interests and did not undergo any security checks, but nevertheless gained access to the top discussions in this country and abroad. That dreadful situation requires an urgent debate and legislation.

Sir George Young: The previous Government totally ignored the Public Administration Committee's recommendation to introduce a statutory register of lobbyists; they did absolutely nothing. We have given a coalition commitment to introduce such a register, as the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper) confirmed from the Dispatch Box on Tuesday. He will publish a comprehensive consultation so that the widest range of views can be considered, with a view to introducing legislation providing for a statutory register of lobbyists.

Mr Robert Syms (Poole) (Con): Neal Butterworth, editor of the influential Bournemouth *Daily Echo*, has drawn it to my attention that media passes for the Olympics are not being given out fairly to the local and regional press. May we have a statement from the Minister for Sport and the Olympics, so that our local media can be properly represented?

Sir George Young: I understand why all our local papers are anxious to have access to next year's Olympics. I will certainly raise this with Department for Culture, Media and Sport Ministers, although it might be a matter for the organisers of the Olympics. I understand my hon. Friend's concern, and I will pass it on.

Kevin Brennan (Cardiff West) (Lab): May we have an urgent statement on whether any Conservative candidate at the last general election received illegal funding for foreign travel from foreign organisations linked to Adam Werritty?

Sir George Young: If there is any evidence that anything illegal has taken place, the hon. Gentleman should notify the police.

Greg Mulholland (Leeds North West) (LD): The Business, Innovation and Skills Committee has now published its report into pub companies, which shows that self-regulation has failed and that the Government must now legislate. The Government have said they will do that, so may we have a statement in the House from the responsible Minister, instead of just the normal response to the Select Committee report?

Sir George Young: I commend the hon. Gentleman for his work in promoting the interests of those who run pubs and who often face onerous Pubco terms. I am aware of the report the hon. Gentleman mentions, which basically says that the voluntary agreement has not worked. I cannot anticipate when the Government will respond to that, but I will inform the Secretary of State for Business, Innovation and Skills of the hon. Gentleman's appetite for an early announcement.

Mr John Spellar (Warley) (Lab): On 2 December last year I put a question about Southern Cross to the Minister of State, Department of Health, the hon. Member for Sutton and Cheam (Paul Burstow) and received the dismissive reply that it was a matter for local authorities. I think he subsequently came to regret that response. An article in today's *Financial Times* claims that from the summer of that year the chief executive of Southern Cross had been informing the Department that he wanted a meeting with the Minister in order to explain the seriousness of the problems and the possible consequences, but, again, the Minister said his diary was too full. May we have a statement from the Minister explaining his actions—or, rather, explaining his complete inertia?

Sir George Young: A written ministerial statement on Southern Cross was published on Monday; the right hon. Gentleman may have seen it. Because of the piece in the press today, I have made some inquiries. There have been regular constructive discussions between the Government and Southern Cross representatives since the moment it became clear that the Government were in difficulty. Ministers took the situation seriously, and they were kept fully informed. There were numerous meetings between senior Department of Health officials, the company and others, to seek to formulate a solution that protected the health and well-being of the residents. Ministers were kept fully in the picture.

Margot James (Stourbridge) (Con): Following today's worrying report from the Care Quality Commission on the lamentable standards in the care of older people in the NHS—it found that 20% of the 100 hospitals it inspected were almost criminally negligent—may we have a debate on this subject?

Sir George Young: In response to the previous question, I think that instead of saying Southern Cross was in difficulty, I said that the Government were in difficulty, which of course they never are.

Like my hon. Friend, I was very concerned by the reports in today's press. Everyone admitted to hospital deserves to be treated as an individual and with compassion and dignity, which is why we commissioned the report she mentions. It certainly shows the value of unannounced inspections. It found some exemplary care, but it also found that some hospitals were not getting even the basics right. The new Health and Social Care Bill gives new responsibilities to Monitor to integrate health care across health care services. I hope that everyone will learn the lessons: that some things need to be done tomorrow to put things right; that there are problems of culture, such as putting paperwork before patients; and that there is inadequate management training and leadership in hospitals. Some of these problems may have been going on for some time. Important lessons must be learned if we are to improve the quality of care in many of our hospitals.

David Wright (Telford) (Lab): May we have a statement from the Secretary of State for Defence on the future profile of civilian jobs in the Ministry of Defence? Many people in my constituency are concerned that they will lose their jobs while he is flying around the world with his mate.

Sir George Young: I understand why Labour Members want to continue on this issue, but the Secretary of State for Defence has a responsible job to do on behalf of this country and the Government. He should be allowed to get on with it and the hon. Gentleman should wait for the Cabinet Secretary's report into the issues he raises.

John Glen (Salisbury) (Con): Given the recent decision by the Communities and Local Government Secretary to overturn the inspector's decision to reject 500 new homes in Hampton Park II in Salisbury, may I urge the Leader of the House to table a debate on public understanding of localism? Local councillors, community groups and residents constructively engaged to persuade the inspector to turn the application down, and they are now bemused and do not understand what localism means.

Sir George Young: I understand the concern of another of my parliamentary neighbours about the outcome of that decision in his constituency. My hon. Friend asks for a debate, but I have just announced a debate next Thursday on the national planning policy framework, which will provide an opportunity for him to raise that issue and get a response. The decision was issued on 21 September. The Secretary of State has no further jurisdiction in the matter, and it would not be appropriate for me to comment on the merits as we are still within the six-week period during which the decision can be challenged in the High Court.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): The Leader of the House will be aware that G20 meetings are increasingly becoming as important as those of the G8. The next G20 meeting, in November, will be particularly important. Will the Government agree to have a debate in advance of a G20 summit in which the House can express its views on the policies that the Government should put forward, as used to be the case for G8 meetings, and to ensure that there is a statement from the Prime Minister after the summit to report on and account for what has happened?

Sir George Young: I understand the hon. Gentleman's concern and I agree that such an approach would be desirable. I am not sure whether he has approached the Backbench Business Committee to see whether it would find time for such a debate, but I will certainly take account of what he has said in planning future Government business.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): My right hon. Friend will be aware that the rise in the number of photovoltaic cells on houses across the United Kingdom is a policy started by the former Government and rightly continued by this one. However, the rise of cowboys installing them is costing the country money and resources, and putting people's long-term ownership of houses at risk. May we have a debate on this Government's renewable energy policy to discuss the photovoltaic cells that are being put on householders' roofs?

Sir George Young: My hon. Friend might catch your eye, Mr Speaker, a week today during Department of Energy and Climate Change questions, but in the meantime I will alert the Secretary of State and ask him to write to my hon. Friend.

Valerie Vaz (Walsall South) (Lab): The Leader of the House will be aware of the recent report showing that 20% of FTSE 100 companies do not have any women on their board and that it will take 20 years before one in three executives are women, so may we have an urgent debate to show everyone outside that this House believes in positive action and not just positive words?

Sir George Young: My right hon. Friend the Prime Minister made a speech about this a few days ago, urging the FTSE companies to do even better. As for a debate, the hon. Lady may wish to raise the matter with the Backbench Business Committee or, indeed, to apply to you, Mr Speaker, for a debate in Westminster Hall, so that we can have a proper discussion of this important issue.

Elizabeth Truss (South West Norfolk) (Con): The East of England strategic health authority published an independent review into Downham Market health centre, which found serious failings in oversight by the authorities, as no action was taken after four serious incidents at the health centre. I am very concerned that, as yet, no individuals have been held to account for those failures. Please may we have a statement from the Health Secretary on the steps he will take to ensure that people are accountable?

Sir George Young: I understand my hon. Friend's concern to make sure that anyone guilty of misdemeanour is held accountable. This is a matter for the local NHS, and I understand that NHS Midlands and East is working with NHS Norfolk and the Norfolk Community Health and Care NHS Trust to take forward the report's recommendations. I have been assured by NHS Norfolk that there will be accountability for the failings to which she refers.

Mr Gerry Sutcliffe (Bradford South) (Lab): When we discuss the Localism Bill next week, will the Government give a guarantee that the protections against the sale of playing fields—school playing fields or public playing fields—will still be in place? At the moment, there is nothing in the Bill to protect those playing fields.

Sir George Young: The debate next Thursday is not on the Bill as such—it is on the policy framework—but the hon. Gentleman will be able to catch your eye, Mr Speaker, and raise those issues. In the meantime, I will alert the relevant Secretary of State to the fact that the hon. Gentleman is concerned about the disposal of playing fields and that he is anxious that proper protection should be in place to ensure that children and others have access to recreational facilities.

Paul Maynard (Blackpool North and Cleveleys) (Con): Will the Leader of the House find time for a debate in Government time on the report by the British Hospitality Association, which was published today and which was mentioned in *The Times*? The report calls for a reduction in VAT in the sector, as happens in many European countries, which would benefit all seaside towns, including my own, and greatly help local tourism in this country.

Sir George Young: I understand my hon. Friend's concern about the impact of VAT on the hospitality sector, particularly in his constituency. He will know that taxation matters are for the Chancellor of the Exchequer, who will be coming to the House in November,

[Sir George Young]

as the shadow Leader of the House said. When he does so, my hon. Friend will have an opportunity to press him on the issue.

Nic Dakin (Scunthorpe) (Lab): The Leader of the House announced a shorter week in November when detailing the calendar. Will he confirm that the Prime Minister will account to the House on 15 November, which is during that week?

Sir George Young: If the House is not sitting on a particular day, it is difficult for the Prime Minister to come to be held to account. I say to the hon. Gentleman, whom I congratulate on his appointment to the Opposition Whips Office, that the Prime Minister has made more statements from this Dispatch Box than his predecessor, that he has stood here, on some occasions for hours on end, being held to account by the House and that he has appeared before the Liaison Committee, so my right hon. Friend has no fears about coming to the Dispatch Box to answer questions.

Sarah Newton (Truro and Falmouth) (Con): The Leader of the House will be well aware that lots of colleagues on the Government Benches were very concerned about the impact of the proposed pension reforms on a particular group of women. I welcome the idea that we will have some movement on that and a statement today. As this is such a vital issue, perhaps he could expand on what the Government are going to do. Will we see amendments to the Pensions Bill next week?

Sir George Young: Yes, it is probably easiest if I refer my hon. Friend to the written ministerial statement, which sets out the amendments that are being tabled today. It states:

> "The amendment to Clause 1 will ameliorate the increase in State Pension age for around 245,000 women and 240,000 men and reduce total savings from the increase to 66 by around £1.1 billion…It maintains our policy to equalise the State Pension age for men and women in 2018 and increase to 66 by 2020."

My hon. Friend will have an opportunity to intervene in that debate, but I note that she welcomes the fact that the Government have listened to the concerns that have been expressed and taken steps to mitigate the impact on women of the increase in the state pension age.

Kerry McCarthy (Bristol East) (Lab): The Leader of the House will, I hope, be aware of this week's damning report by the Institute for Fiscal Studies and the Joseph Rowntree Foundation, which predicts that an additional 500,000 children will be living in absolute poverty by 2015 as a direct result of this Government's policies. May we have an urgent debate on the Government's abject failure to keep their promise to end child poverty?

Sir George Young: The hon. Lady will know that progress towards the target of eliminating child poverty by 2020 stalled under the previous Government. We remain committed to that target. The universal credit will take 600,000 adults and 450,000 children out of poverty, as the IFS said. The report also examined tax and benefits, but did not look at some of the broader things that the Government are doing, for example, in the Work programme. I am sure that she will be pleased to hear that we remain committed to the target of eliminating child poverty by 2020.

Gavin Williamson (South Staffordshire) (Con): I am chairman of the all-party group for motor neurone disease, and the group has recently produced a report on access to care for those suffering from the disease. It is a dreadful, devastating disease; would it be possible to have a debate on access to palliative care for sufferers?

Sir George Young: I commend the work that the all-party group—my hon. Friend and other Members from both sides of the House—have done to emphasise the importance of palliative care for those who suffer from motor neurone disease. I think it would be an excellent subject for a debate in this House, either nominated by the Backbench Business Committee or in Westminster Hall. The Government would very much like to hear more about the report to which my hon. Friend has just referred.

Bill Esterson (Sefton Central) (Lab): In answer to my written question yesterday, the Under-Secretary of State for Transport, the hon. Member for Hemel Hempstead (Mike Penning), told me that he would not be considering plans put forward by staff at Crosby coastguard that would save the Government money on plans for a new maritime operations centre. The Crosby plan would use existing buildings and makes revenue savings, too, whereas the Government plan is for a new build. Does the right hon. Gentleman agree that any plan that saves the Government money should at least be evaluated, not disregarded before such an evaluation takes place, and will he ask his colleague to reconsider his decision?

Sir George Young: Of course, the Government are interested in all options that might save money, and I will put that option to my right hon. Friend the Secretary of State for Transport.

Several hon. Members *rose*—

Mr Speaker: Order. I remind the House that we are very pressed for time and I am not likely to be able to call many more Members, so there is a premium on brevity if we are to maximise the number of contributors.

Henry Smith (Crawley) (Con): I have recently been dealing with a case on behalf of two constituents who were dismissed from their jobs with a commercial cleaning firm called Jani-King, allegedly for being British. May we have a debate on discrimination against British workers in this country?

Sir George Young: If anything illegal has taken place, I hope the appropriate authorities will be notified. I shall share my hon. Friend's concern with my right hon. Friend the Secretary of State for Work and Pensions and see whether anything irregular has taken place.

Grahame M. Morris (Easington) (Lab): There are reports that up to 60 NHS hospitals face serious financial difficulties due to the new burdens being imposed by NHS reforms. As there are risks that such trusts could be taken over by private sector health interests, may we have an urgent debate or an urgent statement, so that we can take some action before the situation becomes terminal?

Sir George Young: No trust can be taken over by a private sector concern, but I simply say to the hon. Gentleman that any financial problems confronting his trust or other trusts would be even worse without the extra resources committed by this Government, which his party opposed.

Mr Robin Walker (Worcester) (Con): My hon. Friend the Member for St Albans (Mrs Main) recently received a written answer from the hon. Member who represents the House of Commons Commission showing that the marginal costs of the House sitting for just two weeks in September could be £1.5 million on an ongoing basis. May we have a debate on the merits of moving the party conference season to save that money for the public purse?

Hon. Members: Hear, hear!

Sir George Young: I thought my hon. Friend was going to suggest abolishing the party conference season, which might have received an even greater cheer—[HON. MEMBERS: "Hear, hear!] He raises a serious issue, in that the party conference season imposes some constraints on the parliamentary calendar, and I shall bring his remarks to the attention of the chairmen of my party and the opposite numbers in the parliamentary Labour party and the other parties—*[Interruption.]* We have a chairman and a chairwoman. I shall see whether there is any emerging consensus on the treatment of political conferences in the future.

Nia Griffith (Llanelli) (Lab): I note that the Leader of the House passed very hastily over the answer to the first question asked by my hon. Friend the Member for Wallasey (Ms Eagle) today about the meetings between Adam Werritty, Ministers and members of Downing street staff. Will he assure us that that information will be made promptly available and that if there is anything of substance in it, it will be the subject of a statement to the House?

Sir George Young: I do not think it makes sense to have a running commentary on the inquiry by the Cabinet Secretary into the Secretary of State for Defence and related matters. I have said that the inquiry will deal with all unanswered questions and outstanding issues, and the sooner it is brought to a conclusion, the better. In the meantime, I think it is sensible to avoid speculation.

Bob Blackman (Harrow East) (Con): In 1997 the incoming Prime Minister said that his priorities were "education, education, education", yet 14 years on, a publication has shown that in reading, 15-year-olds in our classrooms are a year behind those in our competitor countries. May we have an urgent debate on the actions that the Government will take to remove this appalling legacy for the people whose future has been prejudiced?

Sir George Young: I would welcome such a debate. Some of those issues were touched on in the statement made by my right hon. Friend the Secretary of State for Education on Monday. I would welcome further opportunities to debate the steps that we are taking to drive up standards of education in our schools.

Heidi Alexander (Lewisham East) (Lab): Following the riots in the summer, the Prime Minister announced a cross-departmental review of gangs and serious youth violence. A strategy is due to be published this month. Can the House have a debate on this vital issue in Government time?

Sir George Young: There will be a debate this afternoon in Westminster Hall on the riots, and the hon. Lady might like to go to that and to ask that question. She is right to say that there is an ongoing report into gang violence and related issues, and I hope that it will be made available in the relatively near future.

Graham Evans (Weaver Vale) (Con): Well over 2,000 early-day motions have been tabled in this Parliament so far, and it is estimated that they cost the taxpayer around £1 million each and every year. Given that in the last year we had a spending review that carefully considered every aspect of public expenditure, does my right hon. Friend agree that it is right that we should now have a debate to examine the cost-effectiveness and value of early-day motions?

Hon. Members: Table an early-day motion!

Sir George Young: It is suggested that my hon. Friend table an early-day motion to abolish early-day motions. He is not alone in believing that the costs of the current arrangements outweigh the benefits, but on the other hand many people place some value on early-day motions. Any debate on early-day motions should take place in Backbench Business Committee time and be informed by the views of the Procedure Committee; its Chairman was in his place a few moments ago, and I shall draw those remarks to his attention.

Chris Bryant (Rhondda) (Lab): There are only three more days allocated for private Members' Bills before the end of this Session, but there are 96 such Bills now tabled for consideration on those days. Some of them are completely and utterly bonkers, because, frankly, they come from Members whose grasp of reality is somewhat strained anyway—*[Interruption.]* Mine is splendid, obviously. As only one more of those Bills is likely to become law in this Session, does that not show that the system for examining private Members' Bills is now completely bust? We need to reform it. Before the Leader of the House says that that is up to the Chair of the Procedure Committee, could he please show some leadership on this matter in his remaining weeks as Leader of the House, as he will have to hand all the business over to the Backbench Business Committee by the start of the third Session?

Sir George Young: I was hoping that I had a little bit more than a week left in this post. The hon. Gentleman is right to say that the Procedure Committee is looking at private Members' Bills, the way in which they are treated, and whether it makes sense to deal with them on Fridays. We have allocated more Fridays to private Members' Bills to reflect the length of this Session. Despite the hon. Gentleman's rather dismissive remarks about the Procedure Committee, I think this is something that it is worth its while investigating.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): Would my right hon. Friend be willing to have a debate on mental health issues for young people? According to today's edition of the *Plymouth Herald*, a very good organ in my constituency:

> "Hundreds of vulnerable children in Plymouth are having to wait months for mental health treatment",

and 90 have had to wait beyond the 18 weeks allowed.

Sir George Young: I understand my hon. Friend's concern. Funding for child and adolescent mental health services for local authorities has been maintained and is included within funding provided for ongoing personal social services. That funding is due to rise in line with inflation through to 2014-15, but it is for commissioners at a local level to decide how best to spend the money.

Paul Blomfield (Sheffield Central) (Lab): May we have a debate on the Department for Transport's policy of installing station barriers even when they block pedestrian access to established routes for non-rail users? Such is the situation in Sheffield. The previous Government made a commitment that no barriers would be installed until alternative access routes were provided, but the current Government have changed their mind, apparently.

Sir George Young: The hon. Gentleman raises an important issue. I will raise it with my right hon. Friend the Secretary of State for Transport and ask him to write to him.

Robert Halfon (Harlow) (Con): May we have a debate on the history of the Conservative party so we can gently remind our coalition partners that, far from being the party that sent children up chimneys, we are the party of Wilberforce, who abolished slavery, the party of Disraeli, who emancipated the working classes, the party of Baldwin, who brought in universal suffrage, and the party of Thatcher, who turned Britain into a property-owning democracy?

Sir George Young: Whose birthday it is today, and I am sure that the whole House wishes Baroness Thatcher a very happy birthday. It was not right to say that the party—my party—is the ideological descendent of the people who sent children up chimneys. Lord Shaftesbury introduced the legislation against the practice; I am not sure where the Liberals were on that matter.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Following the Supreme Court's decision yesterday to uphold Scottish Parliament legislation that will allow people who have been exposed to asbestos to receive compensation, will the Government now introduce legislation here to enable pleural plaque sufferers across the UK to achieve justice?

Sir George Young: I shall certainly raise that matter with the appropriate Minister—perhaps the Attorney-General, the Justice Secretary or the Home Secretary. The hon. Lady raises an important issue and I shall ensure that she gets an answer.

James Morris (Halesowen and Rowley Regis) (Con): May we have a debate about immigration? Many of my constituents are keen to see the Government make progress on their promise to reduce migration from the hundreds of thousands that came in under the previous Government to a more reasonable level.

Sir George Young: I would welcome such a debate and I am sure that the Opposition would too, as they now recognise that this is an issue that they did not take seriously. We could set out the measures we are taking on students, family visas and work permits to bring the numbers down to a sustainable level.

Steve McCabe (Birmingham, Selly Oak) (Lab): Following the Home Secretary's conference speech, which drew such praise from the Lord Chancellor, when can we expect to have an opportunity to discuss her amendments to the Human Rights Act 1998?

Sir George Young: The hon. Gentleman will know that we have just set up a commission to consider the Human Rights Act. When that reports, there may be an opportunity to debate its recommendations and conclusions.

Andrew Stephenson (Pendle) (Con): May I add my name to those of the Opposition Members who are calling for a debate on NHS funding? NHS East Lancashire has just been given the go-ahead for a new £10 million, state-of-the-art health centre in Colne town centre, subject to the approval of NHS Lancashire and the North of England strategic health authority. This Government's £12.5 billion increase in investment in the NHS has been widely welcomed, and stands in stark contrast to the Labour party's proposed cuts of £28 million.

Sir George Young: I am glad that the extra funding is being put to good use in my hon. Friend's constituency, and I remind him that the shadow Secretary of State for Health said:

> "It is irresponsible to increase NHS spending in real terms".

Mark Hendrick (Preston) (Lab/Co-op): Is the Leader of the House aware of the 1,400 job losses that will occur at BAE Systems as a result of the Government's cutting the defence budget too far and too fast? That is having a devastating effect on families across Lancashire and on the manufacturing base in this country. May we have a debate specifically on the future of manufacturing in this country?

Sir George Young: I know that the Department for Business, Innovation and Skills and the Ministry of Defence are anxious to mitigate the problems that confront BAE Systems and a number of towns throughout the country that have been impacted by the reduction in defence spending—which I suspect the hon. Gentleman's party would have had to do in any event had it been re-elected. I shall certainly pursue the particular issue in his constituency and see what steps can be taken to mitigate the impact on unemployment.

Kris Hopkins (Keighley) (Con): The Leader of the House will be aware that many of us have struggled to enjoy the rugby down under in recent weeks—

Chris Bryant: We've enjoyed it!

Kris Hopkins: May I wish Wales every success in their match against France? In Yorkshire, not only do we have Leeds Rhinos, who have thrashed our Lancastrian opposition, but the Keighley Cougars have become the grand finalist champions. May we have a statement heralding their support please?

Sir George Young: I am certainly happy to wish Wales very well in the semi-final.

Mr Iain Wright (Hartlepool) (Lab): Earlier this month, Hartlepool borough council passed a vote of no confidence in the management of the local NHS trust as a result of the loss of accident and emergency services at Hartlepool hospital. The Secretary of State has said that this is a local matter, but the local authority has made its views clear. I know that other areas, such as Chase Farm, have similar problems, so could we have a debate in Government time on local accountability and the reconfiguration of services in the NHS?

Sir George Young: The hon. Gentleman has made a powerful case for the Health and Social Care Bill, which is currently in another place. The Bill reinforces the links between the NHS and local government, and gives local government much more influence on how the NHS will be run in future.

Richard Graham (Gloucester) (Con): As energy bills rocket and more of my constituents might be unable to pay their energy bills—especially if this winter is as hard as has been widely predicted—may I endorse the call from my hon. Friend the Member for Bridgwater and West Somerset (Mr Liddell-Grainger) for a debate so that the Government can reassure the House that the price of developing greener technologies will not fall on our poorest pensioners?

Sir George Young: My hon. Friend is quite right. There was a written ministerial statement earlier this week reminding everybody that cold weather payments are £25 a week when activated. Those payments complement the winter fuel payments, the green deal and other measures we are taking to reduce the costs of energy. There is also work going on to increase transparency and the ease with which people can switch from one supplier to another. I would welcome such a debate.

Nick Smith (Blaenau Gwent) (Lab): May I press the Leader of the House and ask him whether we may please have a statement on NHS care for the elderly? As he knows, today's *Times* describes it as

"a scandal that is getting worse".

The House should discuss this as soon as possible.

Sir George Young: I agree with what the hon. Gentleman says, and other hon. Members have raised the reports in today's press regarding the Care Quality Commission investigation into a number of hospitals. I would welcome such a debate, and I suggest that he should approach the Backbench Business Committee to see whether it might find time for one.

Mr Denis MacShane (Rotherham) (Lab): These are unhappy times for employment. May we have a debate to congratulate Government Ministers on adding to total taxpayer-funded employment by having more special advisers—not including the unofficial one—than the Labour Government? Will the Leader of the House confirm that the Deputy Prime Minister will commit to his 2009 statement that Liberal Democrat special advisers will be paid from party political funds? As I like the House, and the Leader of the House, I am willing to work for him unpaid as a part-time special adviser if it helps to resolve the problem.

Sir George Young: That is a very generous offer, but I have total confidence in my current special adviser, who needs no reinforcements. I think the right hon. Gentleman will find that on coming to office we appointed fewer special advisers than the outgoing Government.

Mr Speaker: I must thank the Leader of the House and colleagues for their extreme self-discipline, which has meant that all 43 Back Benchers who wished to take part in business questions had the opportunity to do so. It shows what can be done when we put our minds to it. I am most grateful to all colleagues.

Middle East and North Africa

12.16 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Events in the middle east continue to have far-reaching implications for the peace and stability of the region and for our own security. Libya continues its profound transformation after more than 40 years of dictatorial rule. On 20 September the national transitional council took up Libya's seat at the United Nations General Assembly. Order has been restored in Benghazi and Tripoli, as I saw when I visited with the Prime Minister last month, and the NTC has consolidated its hold on the vast majority of Libya's territory.

The remaining Gaddafi supporters are concentrated in Bani Walid and Sirte, where there has been intense fighting. The NTC has said that it aims to declare the liberation of Libya once Sirte has fallen, to move swiftly to form a transitional Government within 30 days and to hold elections for a constitutional assembly within the following eight months. My right hon. Friend the Defence Secretary visited Tripoli and Misrata last weekend. His talks with Libyan leaders confirmed their clear understanding of the need for quick formation of a new, inclusive Government.

Colonel Gaddafi's location remains unknown, but scores of his closest supporters and family members, including his wife and daughter, have fled over Libya's borders. Interpol has issued red notices for him, his son Saif al-Islam and his former director of military intelligence, all of whom have been indicted by the International Criminal Court. No state should harbour any of those fugitives from justice.

Last week NATO agreed that the positive trend in Libya is irreversible, but that not all Libya's population is yet safe from attack. We will continue operations to enforce UN Security Council resolution 1973 for as long as is necessary, at the request of the NTC and with the authority of Security Council resolution 2009, which was unanimously agreed on 16 September and established a new UN support mission in Libya.

British planes and attack helicopters have flown some 3,000 sorties across Libya and have damaged or destroyed some 1,000 former regime targets. Their precision targeting has minimised civilian casualties and saved countless lives, helping Libyans to gain their freedom. I pay tribute to them and all our partners involved in the NATO operation.

We are supporting the NTC's own plans for political transition in Libya, through the friends of Libya group and the allocation of up to £20.6 million in UK funding for stabilisation, including for the rule of law, police, elections, essential basic services and the removal of mines and unexploded ordnance.

Libya's economic growth will be an important component of its future stability, and on 26 September the Minister for Trade and Investment, my noble Friend Lord Green, visited Tripoli with a trade delegation, followed by a conference in London for representatives of British business.

By contrast with the progress being made in Libya, appalling violence and repression continues in Syria. Some 2,900 people, including 187 children, have died at the hands of the regime and its armed forces in just seven months. Along with the United States and our European partners, we tabled a draft UN Security Council resolution condemning the Syrian regime's use of force, calling for an end to violence and threatening sanctions, while ruling out military force. Nine of the 15 members of the UN Security Council voted in favour of that resolution, but Russia and China, regrettably, chose to block it. It is a mistake on their part to side with a brutal regime, rather than with the people of Syria.

We will go on working with other nations to intensify the pressure on the regime. On 24 September the seventh round of EU sanctions came into force. They now target a total of 56 regime figures and 18 Syrian entities, and include an arms embargo and a ban on the purchase, import or transport from Syria of crude oil and petroleum products. As the EU previously imported over 90% of Syria's crude oil, and in 2010 oil revenues accounted for a quarter of all Syrian state revenues, the import ban will have a significant impact. We expect the EU to adopt further sanctions soon against a key regime entity. Turkey has also announced plans to adopt unilateral measures against Syria. We will look to work with it and other like-minded partners to increase the pressure on the regime, as well as continuing discussions at the UN.

Too much blood has been spilled for that regime to recover its credibility. President Assad should step aside now and allow others to take forward reform. We urge the Syrian opposition to develop a peaceful vision for the future of their country, and welcome the formation of the new Syrian national council. Yesterday, the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for North East Bedfordshire (Alistair Burt) met senior members of the council in Paris, and I met Syrian activists in London at the end of last month. The Syrian ambassador was summoned to the Foreign Office this morning and told that any harassment or intimidation of Syrians in our country is unacceptable and will not be tolerated.

There is no one model for democratic development in the middle east. We must work with the grain of each society, while standing up for universal human rights, recognising that the pace of change will vary in each country and offering our assistance where we can and where it is requested.

On 23 October, the Tunisian people will vote freely for the first time in their history. The Tunisian authorities have worked hard to prepare for elections. Tough economic challenges lie ahead for the new Government, but they have achieved a great deal in the space of 10 months.

In Egypt, the Supreme Council of the Armed Forces has announced parliamentary elections beginning on 28 November, followed by a referendum on a new constitution and presidential elections. I spoke to the Egyptian Foreign Minister last night to express our deep concern about recent unrest in Cairo, and to argue for the need for steps to avoid further tensions and uphold the right to freedom of religion and worship in Egypt.

Members on both sides of the House will have concerns about events in Bahrain, including the use of military-led courts to try civilian defendants, including doctors and nurses. We welcome the announcement by the Bahraini Attorney-General that the cases of the medical staff will now be retried in a civil court on 23 October, and the expected report of the independent commission of inquiry on 30 October. We attach great importance to the publication of that report. It is a major opportunity for Bahrain to demonstrate that it will adhere to international standards, meet its human rights commitments and take action when abuses are identified.

In Yemen, President Saleh's return without a clear plan to transfer power has worsened the severe economic, humanitarian and security crisis. We continue to work for and to urge an orderly transition of power, along with our Gulf partners and other allies. We are now seeking discussion of the situation at the UN Security Council.

The House will know that the United States has announced the disruption of a major conspiracy to assassinate the Saudi ambassador on American soil in Washington. There are indications that that deplorable plot was directed by elements of the Iranian regime, with the involvement of senior members of the Islamic revolutionary guard corp's Quds force. This would appear to constitute a major escalation in Iran's sponsorship of terrorism outside its borders. We are in close touch with the US authorities and will work to agree an international response, along with the US, the rest of the EU and Saudi Arabia.

Separately, we welcome the King of Saudi Arabia's recent announcement that women in Saudi Arabia will soon have the right to vote and run in municipal elections and to become members of the Shura Council, the King's advisory body. That will be a significant step forward for the people of Saudi Arabia, and I welcome the King's commitment to listening to the aspirations of the Saudi people.

I also welcome the progress that has been made in Morocco, where elections will be held on 24 November, and in Jordan, where we look forward to the implementation of amendments to the Jordanian constitution, strengthening the rights of citizens and the parliamentary process. Positive, peaceful change is taking place in much of the Arab world.

The case for progress on a two-state solution to the Israeli-Palestinian conflict has become more urgent as the pace of change in the region has quickened. We support a settlement with borders based on 1967 lines, with equivalent land swaps, a just settlement for refugees and Jerusalem as the shared capital of both states.

On 23 September at the UN General Assembly, President Abbas lodged an application with the UN Security Council for full Palestinian membership of the United Nations. This application is now being considered by the UN membership committee. Also on 23 September, the Quartet adopted a statement that provides a clear timetable for a conclusion to negotiations. We have called on both parties to return to talks on that basis. I welcome Baroness Ashton's statement on 9 October that the parties will be invited to meet in the coming days. Success in this will require bold, decisive leadership from both sides, as well as painful compromises. Palestinians should focus on returning to talks, rather than setting too many preconditions.

For the Israelis, time is slipping away for them to act in their own strategic interest. The expansion of settlements must end; they are illegal under international law and an obstacle to peace. That is why we voted in favour of the UN Security Council resolution on this subject in February and why we continue to condemn the announcement of new settlements. The Israeli Government need to take bolder steps than Israeli leaders have been prepared to do in recent years.

Separately, I welcome the agreement between Israel and Hamas to release the Israeli soldier Gilad Shalit, as part of a prisoner exchange. Holding him in captivity was utterly unjustified from the beginning, yet it has gone on for five long years, and the whole House will warmly welcome his return home.

The Government are determined to do all we can to support peaceful economic and political reform across the middle east and north Africa through our Arab partnership initiative, the work of our embassies and our role in the European Union and the G8.

In Tunisia, we are supporting voter education in rural areas. We are helping the government of Morocco to improve transparency in Government Departments. In Algeria, we are supporting a loans scheme for young entrepreneurs. In Egypt, we are helping to establish an academy to provide new female candidates and their election campaigners with relevant skills.

We helped to secure a revised European neighbourhood policy, which makes an ambitious offer of much deeper economic and trade integration and more explicitly conditional financial assistance, and the G8 has pledged $38 billion for the region. In both cases, we want to see policy turned into action, so that the whole of Europe and the G8 can act as magnets for change. The Arab spring has brought conflict and uncertainty, but it undoubtedly has the potential to bring about the greatest single advance in human freedom since the end of the cold war.

We are also determined to learn the wider lessons of these events. On 16 March I announced a review of policy and practice relating to the export of equipment that might be used for internal repression, in particular crowd-control equipment. I have this morning laid a further written ministerial statement before the House outlining a package of proposals resulting from that review, which concluded that measures should be taken to improve aspects of UK export policy. We will introduce a new mechanism to allow Ministers to respond more rapidly and decisively to the outbreak of conflict or to unpredicted events like the Arab spring, by suspending licensing. Our proposals also include steps to strengthen decision making when we provide security and justice assistance overseas. That announcement does not preclude additional measures or further strengthening of the system.

On all these issues, the Government will continue to defend human rights and support political and economic freedom and to work closely with our allies in the interests of peace and stability for this vital region.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): I thank the right hon. Gentleman for his statement, and for advance sight of it this morning. On the Government review of policy and practice relating to the export of equipment that might be used for internal repression, we will study the package carefully. I welcome the statement, given continuing events in the middle east, and note that the last time the House had the opportunity to discuss such a statement was on 29 June.

[Mr Douglas Alexander]

Let me turn first to Libya, where our forces are still engaged in upholding United Nations Security Council resolutions. Much progress has been made in Libya since the House last met, thanks in no small measure to the continuing and characteristic professionalism of our armed forces in enforcing those resolutions. Fighting continues around Sirte, as the Foreign Secretary says, and I would be grateful if he gave further details of the situation on the ground. I note the presence of the Defence Secretary, who has said that the fall of Sirte is "getting very close"; perhaps the Foreign Secretary is willing to give a time scale, given continuing events in the city.

Will the Foreign Secretary give his reaction to concerns expressed yesterday by the Libyan oil and finance Minister, Mr Ali Tarhouni, and the deputy chief of the national transitional council's executive committee, that weapons are still entering the country in a way that could threaten its future stability?

On Syria, the right hon. Gentleman rightly condemned President Assad and urged him again to step aside. We welcome the fact that Europe has moved to broaden sanctions on the regime, including on its oil sales; Labour Members have argued for that for some months. However, it is six months since Ministers stated that Syria was

"at a fork in the road."

In light of the continuing bloodshed and repression, will the Foreign Secretary give some detail of the character of the Turkish unilateral actions now under consideration, and will he give us more information on the expected extension of European Union sanctions?

I have to say that I was somewhat disappointed by the brevity of the Foreign Secretary's remarks on Bahrain, given his previous recognition of the need for more fundamental reform there and, of course, its historically strong links with the United Kingdom. Indeed, in March the Foreign Secretary told the House that

"the King of Bahrain pledged himself…to further such reforms."—[*Official Report*, 17 February 2011; Vol. 523, c. 1137.]

However, in recent months, there has been little evidence of real and substantive reform, and further evidence of deeply troubling events, such as the sentencing of the doctors whom the Foreign Secretary spoke about. Will the Foreign Secretary reassure the House that continuing worries about Bahrain will be met with ongoing diplomatic efforts from the British Government, and will he set out what steps he intends to take? In April, the Foreign Secretary expressed his frustration that

"In Yemen, attempts at agreeing a political transition have repeatedly stalled or failed."—[*Official Report*, 4 April 2011; Vol. 526, c. 753.]

Six months on, can he tell us what further steps he is planning to take to help prevent further dangerous deterioration in the situation there?

Recent events in Cairo will also cause concern to many who remain friends to the new Egypt. I join the Foreign Secretary in condemning unequivocally the killing of 24 Coptic Christians after recent demonstrations. That is just the latest, though clearly one of the most serious, causes of concern. The deaths in Cairo have reportedly prompted the resignation of Egypt's Finance Minister, Hazem el-Beblawi; in addition, Egyptian output fell by 4.2% on the previous year in the first quarter of this year alone. Does the Foreign Secretary share my concern about what will happen to the Egyptian economy, and that access to European markets in particular needs to be accelerated?

Eight months after the revolution, the armed forces continue to run the country through their supreme council. The emergency laws originally introduced by President Mubarak have been maintained, and there is at least some talk of the presidential election being slipped to 2015. Will the Foreign Secretary share with the House the Government's assessment of the situation, and his judgment as to when presidential elections will take place and when power will effectively be transferred from military to civilian authority?

Let me associate myself entirely with the Foreign Secretary's remarks about the prospect of Gilad Shalit's long-overdue release, and the recognition that a negotiated two-state solution remains the route towards peace and stability in the region. There is much common ground on the issue across the House. However, I note the carefully chosen words that the Foreign Secretary used in relation to the recognition of Palestinian statehood in the United Nations. Will he confirm today that it has never been the case that that recognition can only follow the conclusion of the negotiations? Will he offer the House a little more insight on where those discussions in the Security Council have reached?

Let me turn to Iran. I concur with the concerns expressed by the Foreign Secretary, but will he give us the British Government's view of where that leaves the E3 plus 3 process? In June, he promised:

"Until Iran negotiates seriously, international pressure against it will only increase."—[*Official Report*, 7 June 2011; Vol. 529, c. 35.]

Will he set out what measures he expects to use to increase that pressure? We know that being able to see protests elsewhere in the middle east and north Africa, online or on satellite television, was a key driver of the changes that we witnessed this year, so what action is the Government taking to support the BBC Persian service, which has been subject to repeated attempts to jam and otherwise block its important information?

These remain days of great possibility and great peril for the middle east and north Africa. I hope that the Government continue to keep the House updated in the weeks and months ahead.

Mr Hague: I thank the right hon. Gentleman for those questions; I think that they reflect the large measure of agreement across the House on many of the issues. I shall run through his questions in the order in which he asked them.

The right hon. Gentleman was quite right, of course, to pay an additional tribute to our armed forces and the work that they have done on Libya. He asked what the situation is in Sirte. There remain two small, steadily shrinking areas where the pro-Gaddafi forces fight on. I do not think that it is possible to give a time scale—*[Interruption.]*—well, a more precise time scale than anyone has given so far, which is what the shadow Foreign Secretary was asking for. We have always resisted putting precise time scales on things. However, clearly great advances have been made by the free Libya forces in recent weeks and days, and there are now two small areas left. That shows that the pro-Gaddafi forces that remain are in a very difficult position.

The right hon. Gentleman is right to ask about weapons coming into the country. Indeed, that is part of the issue of the stabilisation of Libya. The national transitional council has been consistently underestimated in the past six months, at every stage. International opinion, many media commentators and sometimes those in this House thought that the council did not have the capacity or expertise to get a grip on its country. It has shown at every stage that it does, and I think that it will, in addition, have that ability when it comes to controlling the supply of weapons. We are giving it assistance in tracking down some of the weapons of the Gaddafi regime that have gone missing, and that assistance will continue.

Syria has long since passed the fork in the road. The right hon. Gentleman is right that back in March, I said that it was at a fork in the road—I said it for a while—but the Assad regime is now far past the fork, and sadly it took the wrong fork. That is why we said in August, along with the United States and our European partners, that Assad should go, and that the regime should come to an end. It is for the Turks to announce, of course, the details of their proposals. For reasons that will become obvious, I cannot give details of the next measure that the European Union will take; action against a major Syrian entity will be announced pretty soon.

The right hon. Gentleman was worried about the brevity of my remarks on Bahrain, but that was simply to comply with Mr Speaker's strictures. One could talk for hours on any of the subjects that we are discussing, and if the House sets aside the time, I will be delighted to do so. Over the past few months, Bahrain has taken some actions that are welcome, and some that are very unwelcome; it has gone in different directions—sometimes at the same time, speaking frankly. It was welcome that it announced the commission of inquiry into abuses, and indeed put internationally respected people on it. I also welcome its decision, after the international outcry about the trial of the doctors and nurses, about the retrial. It is welcome that it has attempted, since the time that the right hon. Gentleman was talking about, a national dialogue in Bahrain, yet of course there are many valid, legitimate criticisms as well, and allegations of human rights abuses. That national dialogue has not yet been successful in bringing everybody together in Bahrain.

The diplomatic message to Bahrain is communicated in many different ways, including by me, in my conversations with the Foreign Minister of Bahrain. The Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for North East Bedfordshire (Alistair Burt), is in regular discussion with the Bahraini authorities. The National Security Adviser, Sir Peter Ricketts, recently visited Bahrain and made clear our views on all these matters, so I want to put the emphasis for the next 17 days, up to the publication of the commission of inquiry's report, on the great importance that I think all of us in the House attach to that, because the credibility of the report and the readiness to act on it will be an important test of how Bahrain will approach the coming weeks and months.

In Yemen, we are taking many steps to support an orderly transition of power. I pay tribute again to the staff in our embassy in Yemen, who work in what is perhaps the most dangerous situation that any of our diplomats face around the world. I visited them there in February. They do a great job in supporting the Gulf Co-operation Council's efforts to promote dialogue and trying to persuade all sides to sign up to the orderly transition of power. We continue to work closely with the Gulf countries, including Saudi Arabia, on this. As I have said, we are about to discuss this in the United Nations Security Council and are considering whether a resolution there would add to the international pressure on the President to sign up to an orderly transition of power.

I agree with the right hon. Gentleman's concerns about the Egyptian economy. I expressed those concerns to the Egyptian Foreign Minister when I talked with him last night and, in particular, asked him and the Egyptian Government to take steps to give investors in Egypt greater confidence about both security and in relation to recent court decisions. That is very important to British businesses, which are the largest investors in Egypt, particularly in the oil and gas sectors. He undertook to do that, and UK Ministers will of course strongly reiterate these concerns on forthcoming visits.

The right hon. Gentleman is also right to raise concerns about the timetable for presidential elections slipping. When I asked the Egyptian Foreign Minister about that yesterday, he said that he believed that the elections would take place by the summer of next year. According to other commentators, that is an optimistic timetable. Without interfering in the sovereign affairs of Egypt, I think that we can continue to express our view that the sooner such elections take place, the better. Egypt of course needs clear and strong civilian leadership in the form of a democratically elected President, and that cannot come about too soon.

The right hon. Gentleman and I are in agreement on welcoming the release of Gilad Shalit. The Security Council is considering the membership application of the Palestinians through its normal procedures. When and how to take that forward will be partly up to the Security Council and partly up to its members. There is currently no specific proposition before the Security Council on this. He said that I had expressed carefully chosen words on the issue. They are very carefully chosen, because words really matter on this issue. It is a delicate and difficult subject. Our words are all directed towards trying to bring about the resumption of negotiations between Israelis and Palestinians. How we act in the Security Council or on any motion that may come before the UN General Assembly will be determined by how we can bring about a resumption of negotiations. All 27 EU countries have withheld a verdict on motions at the UN, partly because there is currently no specific motion to vote on, but also to maximise our leverage over both Israelis and Palestinians to return to talks. That is the basis of our position and I think that it would be wrong to move away from it at the moment.

On Iran, we announced considerable additional European sanctions at the end of May. We are working on further sanctions, but I am not in a position to announce those today. The attempted action revealed by the United States this week makes a strong case for additional measures, which we are now discussing with our partners. The right hon. Gentleman rightly identified the importance of the BBC Persian service, through which we should communicate at every opportunity.

[Mr Hague]

Attempts are made to block that, but we of course support the service politically, diplomatically and technically in any way we can.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We have taken quite a long time so far, so we need brevity in the questions that will be asked and certainly more brevity in the answers.

Mr Lee Scott (Ilford North) (Con): Does my right hon. Friend agree that the advancements that could be made after the long-overdue release of Gilad Shalit could be followed by Hamas agreeing to recognise the state of Israel and renounce violence?

Mr Hague: This successful negotiation is a ray of hope in a difficult and often bleak situation in the middle east. It shows that a successful negotiation can be carried out with the involvement of Israel and, as was necessary in this case, Hamas, through the good offices of Egypt, and I congratulated the Egyptian Foreign Minister on Egypt's role in this. It would of course be welcome if Hamas were to move away from its rigid positions. If peace is to be brought about, it is very important that all concerned recognise Israel's right to exist, support previous agreements and denounce the use of violence. It would be very welcome if Hamas would do those things or make concrete moves towards them.

Tony Lloyd (Manchester Central) (Lab): On the same theme, does the Foreign Secretary accept that the continued economic siege of Gaza creates the space for the most extreme voices to gain traction there? If we are to see movement towards a proper negotiation between the Israelis and the Palestinians, is it not necessary for that economic siege to be lifted?

Mr Hague: The hon. Gentleman's terminology is slightly different from how I would describe the situation, but yes, we think that the Israelis should act to allow more goods into and out of Gaza. We have criticised the current policy on many occasions, although there have been some improvements over the past year. I agree with the gist of his remarks. Often the effect of the policy has been to strengthen the position of Hamas domestically within Gaza and its financial interests there. It would be wiser for Israel to change the policy, just as it is necessary for Hamas to change its policies in the way I have just described.

Simon Hughes (Bermondsey and Old Southwark) (LD): We have seen the winds of change blowing though north Africa and the middle east in an encouraging way and the British Government have been strong and robust in their words and actions, for which I congratulate the Foreign Secretary. We have also seen the opportunities in Israel and Palestine with the pending release of Gilad Shalit and the deal. It would be helpful, and compatible with the negotiations and Baroness Ashton's intervention, if we ensured that Israel knows that Britain's objective will be to recognise a Palestinian state as soon as possible so that there can be parity and equality in the negotiations and their conclusions?

Mr Hague: It is of course our objective to help bring about a two-state solution. We believe in and want to see a Palestinian state, but that state will only be a truly viable state, in control of its own territory and able to make its own decisions, as a result of negotiations with Israel. We can pass all the resolutions we like at the United Nations, or not, but what is required is a successful negotiation. That is what we must keep in mind. Our attitude to the recognition and inclusion of Palestine at the United Nations is determined by how we can restart negotiations. I put it that way round, but the objective is absolutely as my right hon. Friend describes it—to have a Palestinian state.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): When the right hon. Gentleman talks about carefully chosen words with regard to the Palestinian application for membership of the United Nations, will he note that the carefully chosen words of Obama and Clinton are already intended to oppose the application totally and bully and blackmail other countries as well as the Palestinians into opposing it? Will he assure the House that the Government will not succumb to that bullying and blackmailing and that they will do the right thing for the Palestinians?

Mr Hague: Of course, I work closely with Secretary Clinton on this and other issues, so I do not characterise the United States' policy as the right hon. Gentleman does. Nevertheless, there are differences between us and the United States in our approach to the issue. We voted in opposite ways on the resolution on settlements in February, and we have a different way of handling the Palestinian approach to the UN: the United States has discouraged it—that is absolutely right.

I believe, however, that President Abbas did achieve at the UN General Assembly the highlighting of the issue in front of the world. Nothing technically changed at the United Nations, but he did achieve that and did press on the world the urgency of it—and he was right to do that. So we do differ from the United States in many things that we say on the issue, although we share with them the objective of a negotiated two-state solution.

Jane Ellison (Battersea) (Con): I very much welcome the Foreign Secretary's statement, and in particular I am very encouraged by mention of training and support, and whatever, for female candidates in Egypt. Can he assure me that the Government will continue to take a leading role in pressing for women to benefit from the new political and economic freedoms that we hope will sweep across the region?

Mr Hague: Yes, absolutely. That is of immense importance and one of the potentially very exciting aspects of the ongoing change in the Arab world. Senior people in Saudi Arabia told me before the recent announcement by the King that they cannot treat the next generation of women in the same way as the previous generation—they know that.

We have made the case in all our contacts with the Libyan authorities for the much greater involvement of women in their public life. The International Development Secretary and I met leading women in civil society in

Benghazi on our visit there in June, so we will continue very much to encourage that, and I agree with my hon. Friend.

Valerie Vaz (Walsall South) (Lab): Does the Foreign Secretary know why the Bahraini doctors and nurses are on trial in any court, criminal or civil, bearing in mind that they were just doing their jobs and could be covered by international humanitarian law?

Mr Hague: It is absolutely not my brief to defend the Bahraini Government in their handling of the situation. There are allegations about those doctors and nurses, and some in Bahrain argue that they were not going about their jobs but doing other things. It is not for me, however, to state those allegations or to agree with them. Those people should have been tried, if they needed to be tried at all, in a transparent way, in a civil court and with, of course, a fair judgment at the end. Therefore, we welcome the decision that they should be retried, and we will all watch very closely how that retrial takes place and what the verdicts are.

Dr Andrew Murrison (South West Wiltshire) (Con): The Foreign Secretary is right to draw attention to the elections being held in Morocco next month and to their importance. What significance does he ascribe to the far-reaching constitutional reforms announced as part of the referendum held in July in that country? Does he agree, as he has before, that Morocco offers a beacon of hope in a region that has been blighted by conflict and violent disorder over the past several months?

Mr Hague: Yes, I do agree. The King of Morocco has shown a determination to be ahead of the curve in the demand for change, in his own country and throughout the region, and that should be strongly welcomed. I will visit Morocco shortly to see for myself what is happening and to discuss those matters in more detail. It is part of the excitement that we should feel about what is now possible in north Africa. If we just imagine Morocco, Tunisia, Libya and, we hope, Egypt as more open societies and economies, we find that the possibilities for their citizens in terms of freedom and economic progress are a tremendously exciting development in world affairs.

Richard Burden (Birmingham, Northfield) (Lab): The first question that the Foreign Secretary was asked from the Government side of the House basically involved urging Hamas to recognise the state of Israel, and if I understood the Foreign Secretary correctly, he broadly agreed with that idea. I think that both sides of the House would have a real problem, whatever individual Palestinian or Israeli political parties did about recognising each other, if there were any doubt about the international community recognising Israel. That being the case, why should there be any doubt about the international community recognising Palestine? Sooner or later a decision will have to be made on the issue at the Security Council. How will the Foreign Secretary take the feeling of the House before Britain makes its decision on that question?

Mr Hague: The paramount need is to return to negotiations—I stress that. The Palestinian state that the hon. Gentleman and I want to see come securely into existence will come about in the end only through successful negotiations, and therefore the difficulties that arise with ideas of UN resolutions at the Security Council or in the General Assembly are the dangers of resolutions that may undermine the prospect of negotiations, rather than buttress them. That is what we have to weigh in the balance, and carrying resolutions that then make it harder to pursue negotiations or are not accompanied by a clear commitment to return to negotiations may not be helpful. That is just one factor that we have to weigh in the balance.

On parliamentary opinion, as the hon. Gentleman knows, I make as many statements as possible on this subject—I think more in this calendar year than any Foreign Secretary has made in some decades; and, if the business managers can find time for debates on these matters, I would welcome it.

Mr Stewart Jackson (Peterborough) (Con): I welcome my right hon. Friend the Foreign Secretary's rejection of the admonitions of some in this House for precipitate recognition of Palestinian statehood. He may know that in December 2008 I raised in an Adjournment debate the incarceration of Gilad Shalit, who has been in captivity since 25 June 2006. Will my right hon. Friend restate the imperative for Hamas to use that gesture as an opportunity to build for the future, to reject violence and terror, and to move towards peace and prosperity under the auspices of the Quartet principles?

Mr Hague: Yes, I very much agree. In line with my earlier answer to our hon. Friend the Member for Ilford North (Mr Scott), that is absolutely right. That gesture is a glimmer of hope, but it is very good news in the individual case of Gilad Shalit. In terms of the overall scene we should not overstate it, as it is a glimmer of hope, but all sides should now seek to build on it.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I welcome the Foreign Secretary's focus on the importance of negotiations between Israelis and Palestinians as the only way to achieve a viable and lasting Palestinian state alongside Israel, but what steps is he taking to secure the resumption of those negotiations, without conditions, as the Quartet requests?

Mr Hague: We have made our view very clear, including in discussions at the United Nations General Assembly. For instance, during the General Assembly ministerial week last month, I held direct talks with President Abbas and with the Israeli Foreign Minister, Mr Lieberman. At the beginning of that week, our Prime Minister also spoke to the Israeli Prime Minister about the matter, and we have urged all of them to return to negotiations in the spirit that I described in my statement.

Of course, we work through the European Union as a whole and through the very good work of Baroness Ashton on the matter, and we also influence the work of the Quartet—the EU, the UN, the United States and Russia—whose statement on 23 September provided the framework and timetable for a resumption of negotiations, so we are active on this issue on all diplomatic fronts.

Robert Halfon (Harlow) (Con): I commend my right hon. Friend and, particularly, the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon.

[Robert Halfon]

Friend the Member for North East Bedfordshire (Alistair Burt) on their work over many years to secure the release of Gilad Shalit. Does my right hon. Friend agree that the fact that Israel has released more then 1,000 prisoners, many of whom were involved in horrific terrorist atrocities, shows that it is willing to negotiate and to make some moves towards peace?

Mr Hague: Yes, I do agree, and I thank my hon. Friend for his remarks, as does the Under-Secretary; we are grateful for that. The release does show such willingness, but it is now important to replicate it in other negotiations.

In this case, Israel has made, as my hon. Friend the Member for Harlow (Robert Halfon) suggests, a decisive offer to bring about the release of Gilad Shalit; we now need Israel to make decisive offers on a much grander scale in order to bring about a two-state solution. That is what we urge it to do in the coming weeks. It will be necessary for Israel to do so if we are to arrive at that two-state solution, because without that solution Israel will be in a steadily more isolated and dangerous international situation.

Ian Paisley (North Antrim) (DUP): I thank the Foreign Secretary for the individual efforts that he made with regard to Gilad Shalit; I know that that is greatly appreciated. I also support his comments about the persecution and murder of Coptic Christians and other minorities in Egypt.

Turning to the cocktail of crises on the African continent, is it not about time that there was an Africa summit led by this nation, with our partners across the world, to address the many-faceted problems and to keep world attention on those problems so that we can help to resolve them and bring freedom, encouragement and business acumen to that continent?

Mr Hague: There are, in effect, many such summits. The G8 summit at Deauville at the end of May focused absolutely on that, and it was followed up by a meeting of the G8 Finance Ministers early in September and the meeting of G8 Foreign Ministers in New York that I attended on 20 September. That is about much of the western world—the developed world—trying to ensure that it is a magnet for change and for economic and political freedom in north Africa. A total of $38 billion of finance is available multilaterally to these countries. That effort is very much going on. Of course, the African Union also holds its own summits, and we are present and active around them—my right hon. Friend the International Development Secretary, in particular. This country has a very strong record in promoting freedom and prosperity in Africa.

Jo Swinson (East Dunbartonshire) (LD): The positive example of Liberia and the rather more depressing tale of Angola show that the involvement of women in post-conflict negotiations is not just a matter of equality—it is absolutely vital for security and stability. How is the Foreign Secretary using his influence to ensure, at this critical time in the formation of new Governments and institutions in Libya, Egypt and Tunisia, that women are around the table, with full speaking rights, as an essential part of those future successful states?

Mr Hague: That is a very high priority for the Department for International Development in all the work that it does, and it is an important priority in our Arab Partnership fund. I listed earlier some of the projects that we are undertaking: for instance, to train and assist female candidates for election in Egypt. Of course, we cannot ensure that such things happen in those countries—we are not a sovereign power—but we can transmit the right signals and encouragement all the time, and we do so. The Prime Minister very much did that in his meeting with national transitional council members in Tripoli a few weeks ago. I will be visiting Libya and many other north African countries shortly, and I will return to that subject constantly.

Mark Hendrick (Preston) (Lab/Co-op): Would not a successful resolution on UN membership for Palestine strengthen the hand of Fatah, whereas at the moment, with the prisoner exchange, Hamas is looking as though it is more successful than Fatah?

Mr Hague: The hon. Gentleman has an important point. It is true that how we act at the United Nations and how we promote negotiations must support the work of the moderate leaders of the Palestinians. I do not think that Israel is going to have better partners than President Abbas and Prime Minister Salam Fayyad for reaching peace and a two-state solution. That is why we should not be dismissive of their efforts and what they have brought to the United Nations, with President Abbas's speech on 23 September. It nevertheless remains the case that a return to negotiations is the only way to bring about what we want. The simple passing of resolutions, if passed in a form that makes the situation worse in some ways—the US Congress has threatened to cut off funding and the Israeli Government have threatened to withhold tax revenues under certain scenarios—would not bring about that negotiated solution. That remains our paramount interest in our approach to these matters.

Mr Dominic Raab (Esher and Walton) (Con): I thank the Foreign Secretary for his comprehensive statement. There are worrying signs in Egypt. Under the Supreme Council of the Armed Forces, there has been increasing use of summary justice and emergency powers, as well as the reports of shooting of Coptic Christians. What is Britain doing specifically to facilitate the transition to democracy there? In particular, does the Foreign Secretary agree that it is vital that the forthcoming elections are overseen by international monitors?

Mr Hague: In answer to the early part of my hon. Friend's question, we are active in particular projects in Egypt, and we are also active diplomatically, in persuasion and pressure where necessary about respect for minorities such as the Copts in Egypt, respect for human rights, and so on. My hon. Friend will have to remind me of the last point in his question.

Mr Raab: Monitors.

Mr Hague: Monitors, yes. In the case of Egypt, it is important that the terminology is right. The Egyptians do not like the term monitors, or even observers—I think they would prefer to call such people witnesses—but the concept is the same. I discussed that with the Egyptian

Foreign Minister last night. Certainly, Egypt is now accepting such witnesses—or monitors, or whatever they are to be called—for the forthcoming elections.

Keith Vaz (Leicester East) (Lab): I warmly welcome the Foreign Secretary's initiative in seeking a discussion on Yemen at the Security Council. Does he know why the President of Yemen has changed his mind? He had agreed to go, the Gulf states and he backed it, and now he has changed his mind. Will the Foreign Secretary consider making a visit to Sana'a, as he has before, perhaps with another EU Foreign Minister, to try to enter into a proper discussion on these matters?

Mr Hague: We will consider any step that helps. The right hon. Gentleman is asking me to read the mind of the President of Yemen. Having met him on my visit in February, I know that that is an extremely difficult thing to do, even when sitting talking to him, let alone watching developments from afar. I do not know whether he has changed his mind or whether he ever decided to give up power; there are different hypotheses about that. One of the constraining factors is the presence of people around him who do not want to give up power, whatever his own intentions. There are indications that that puts back the signing of an agreement and an orderly transition. We will keep on with all our efforts and pursue them in any effective way that we can. I am grateful for the right hon. Gentleman's welcome for our approach at the United Nations.

Bob Blackman (Harrow East) (Con): My right hon. Friend will be aware that I have just returned from a trip to Jordan and the west bank. I used the opportunity of a meeting with the Palestinian Authority's Prime Minister, Mr Fayyad, to call on him to facilitate the release of Gilad Shalit. I was therefore delighted when that action took place the following day. However, I do not claim the credit; I express the delight of everyone in this House that it has finally happened. During the visit, it became evident to me that the level of settlement activity on the west bank is speeding up, and that is obviously of great importance. Will my right hon. Friend therefore make sure that the Palestinians return to negotiations urgently, rather than using their time lobbying members of the Security Council and the United Nations to secure a vote, so that we can get a viable two-state solution?

Mr Hague: I am pleased that my hon. Friend raised the case of Gilad Shalit; he is well on his way to a Nobel peace prize for the instant result that was achieved on that. Yes, the pace of settlement activity, which is illegal and which is on occupied land, is wrong. It is also one reason why it is an urgent issue, because a two-state solution will become impossible in a few years' time if it is not arrived at in the near future. That means Palestinians returning to talks, but it also means Israelis returning to them ready to make a decisive offer to Palestinians.

Mr David Winnick (Walsall North) (Lab): Does the Foreign Secretary recognise that very many Palestinians—I would imagine the large majority—believe that the western Governments, including the British Government, are much more on the side of Israel than of Palestine, and that therefore the question of a vote in the United Nations, if there is to be one, is of crucial importance regarding the line that Britain is going to take?

Mr Hague: We are on the side of a two-state solution. We want a secure Israel living alongside a viable and secure Palestinian state. I do not see us as being on one side or the other. We make no compromises on the security or the legitimacy of Israel. The hon. Gentleman can gather from my remarks today and on many other occasions, and from the way that we have voted on settlements at the Security Council, that we believe in putting Israel under pressure to arrive at a two-state solution. We have done more of that, I have to say, than happened under any previous Government. That is the direction of our policy; it is not a matter of taking sides one way or the other.

Stephen Gilbert (St Austell and Newquay) (LD): May I turn the House's attention to today's written ministerial statement on the arms export regime? I welcome the tightening and strengthening of that regime, but there remain real concerns that British-made matériel is being used to suppress democratic movements, particularly in Bahrain. Will the Foreign Secretary publish the review and tell the House what more he is doing to stop British-made matériel being used to persecute people seeking democratic reform?

Mr Hague: I am grateful to my hon. Friend for his welcome for this move. On Bahrain, there is no evidence of British-made equipment being used in that way. He will be aware that we revoked export licences to Bahrain to try to make sure of that for the future. The review points the way to being able to make such decisions at earlier stages if enough is known about a situation. The internal report gives advice to Ministers and contains commercial information, so I do not envisage publishing it, although I have published its conclusions. As I indicated in the written ministerial statement, I am open to taking further measures and to further consideration of the matter.

Mr Denis MacShane (Rotherham) (Lab): We support the Foreign Secretary when he condemns Gaddafi's torture in Libya and Bashar Assad's torture in Syria. Why will he not condemn the al-Khalifa family's torture in Bahrain? Is he aware that the senior police officers who were suspended for that torture have been reinstated? Women doctors should not be put in prison after a fake trial. If that happened in Burma or Zimbabwe, the Foreign Secretary would be straight out there calling for their release. Instead of welcoming an announcement and attaching great importance to it, will the Foreign Secretary say from the Dispatch Box that these women should be freed this afternoon?

Mr Hague: I think that I have been very clear in what I have said about that matter. I do not think that the Bahraini Government are in any doubt about our views on these issues; I expressed them forcefully to the Bahraini ambassador last week. They must not miss the opportunity that is there with the report on 30 October. The difference between Bahrain and Libya is that a political process is alive in Bahrain. The only way forward for Bahrain is for that political process to succeed and for an accommodation to be reached between its Shi'a and Sunni communities. That is a different situation from the one that prevailed in Libya six months ago.

Bob Stewart (Beckenham) (Con): I lived for three years in Yemen, for three years in Bahrain and also in Jordan. I was always told not to make any comment about the Sunni or Shi'a branches of Islamic religion. May I ask the Foreign Secretary to ensure, as I am sure he is doing, that our diplomats are utterly bipartisan and as neutral as possible in this matter, because it has a knock-on effect elsewhere, for example, dare I say it, in trade?

Mr Hague: Yes, I assure my hon. Friend that our diplomats are religiously neutral about religion. We support the rights of minorities throughout the world, including the right to freedom of worship. In that, we do not differentiate religions and that should apply all over the world.

Hugh Bayley (York Central) (Lab): I have profound respect for the role of our armed services in Libya. However, we know from experience in Afghanistan and Iraq that the challenges of post-war reconstruction can be as taxing as military operations. Will the Foreign Secretary soon make a written statement to spell out our plans for post-war reconstruction in Libya and for the development of democratic institutions using agencies such as the Westminster Foundation for Democracy? Will Britain support the inclusion of Libya in NATO's Mediterranean dialogue?

Mr Hague: I will seek every opportunity to keep the House updated on what we are doing. To give a brief answer, I stress that this is a very different situation from Iraq or Afghanistan: there is no serious damage to the civilian infrastructure, it is a Libyan-led effort and there is no occupying army. The hon. Gentleman asks about our plans, but I stress that they are Libya's plans for the stabilisation of its country. They are not plans for reconstruction, because the children are at school, the shops are open and the traffic is running, as I have seen for myself in Tripoli and Benghazi. We are involved in many ways, some of which I listed in my statement. As matters develop, as the transitional Government come in and as the UN mission expands its work, I would be happy to spell out in more detail in a written statement or in another statement to the House what we will be doing.

Mr Andrew Love (Edmonton) (Lab/Co-op): In the past year, the Egyptian economy has shrunk by more than 4%. That is reflected throughout the middle east, demonstrating that the Arab spring started because of economic disadvantage and a lack of economic opportunities. What efforts is the Foreign Secretary making to sponsor a dialogue between the European Union and those African countries? He has mentioned the efforts of the British authorities, but surely the crucial factor will be reaching an EU-wide agreement to support those economies and help them through this difficult period.

Mr Hague: I agree with the hon. Gentleman's point. That is why we place such emphasis on the European neighbourhood policy being a bold and ambitious policy that offers closer economic integration to those countries. There was a very good meeting of the EU-Tunisia taskforce on this matter in the past couple of weeks. That needs to be followed up by looking at Egypt. The role of the European Union is really in solidifying and expanding the economic links, and I think that that work is going on.

Ian Murray (Edinburgh South) (Lab): On a recent visit to Gaza, the United Nations was keen to stress that 800,000 Gazans were living on UN food aid and that 600,000 of those people would receive no food aid at all come 1 January because of a lack of funds. If poverty is a major barrier to peace in the region, what can the Foreign Secretary do to remedy the impending humanitarian disaster?

Mr Hague: Through the work of my right hon. Friend the Secretary of State for International Development, we are one of the biggest contributors to the funding that goes to Gaza. Wherever such problems arise, we encourage other nations to join in with such funding. We will encourage other nations to do that, as indeed we have been doing. We are on to that.

Jonathan Ashworth (Leicester South) (Lab): What estimate has the Foreign Office made of the number of Libyan students currently studying in the UK? There are a number in Leicester who have made representations to me. Will the Foreign Secretary update the House on what arrangements are in place to ensure that those students continue to get funding from Libya so that they can continue in their studies?

Mr Hague: That was one of the major issues when we ordered the closure of the embassy of the old regime. From memory, there were about 8,000 Libyan students in the UK at that stage. Of course, that varies from one academic year to another. We were concerned at that time to ensure that the financial arrangements for those students were robust. Certainly, enough money was set aside for their support to be continued. We will monitor how that situation develops. The new Government of Libya have access to substantial financial resources and we will look to them to continue the support that has been given in the past.

Gavin Shuker (Luton South) (Lab/Co-op): I commend the work of the Foreign Secretary and the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for North East Bedfordshire (Alistair Burt) on religious freedom in the middle east and north Africa, and the specific action that the Foreign Secretary took last night with regard to Egypt. Will he say a little more about his general approach to religious freedom across the region, which is experiencing much change at the moment?

Mr Hague: The whole House believes in such freedom, in the rule of law and in places of worship being respected. The Foreign Minister of Egypt assured me last night that the violence with the Copts, in which 36 people were killed, is being investigated through an inquiry and that legislation concerning places of worship will be brought forward in Egypt. I hope that that will help to guarantee, at least in law, the sanctity of those places. Beyond that, there is a wider argument to be won across the middle east and north Africa. British and other western voices should be strong in that argument, pointing out the great advantages to those societies of diversity and respect for freedom of religion. Amid all the horrors of the Syrian regime, one good thing in recent years has been the right of minorities to practise their religion in Syria. We hope that that will continue.

Point of Order

1.19 pm

Mr Denis MacShane (Rotherham) (Lab): On a point of order, Mr Deputy Speaker. Along with other right hon. and hon. Members, I received today a letter from the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling), saying that in future all his communications with us would be by e-mail. I do not challenge the sincerity of his desire not to spend an evening signing letters, or to be quicker or save a bit of paper, but I really do think it is a worry. When we send letters on to constituents, they should not be PDFs or bits of e-mails; they should be letters. They represent an important relationship between the state and the citizen. I am not sure, either, of the legal authority of letters that have not been physically signed. I do not want to add work for Ministers—believe me, I know what it is like—but will you look at the matter with your colleagues, perhaps including the Leader of the House, who is kindly in his seat, and work out whether it is a good initiative for any Minister to take?

Mr Deputy Speaker (Mr Lindsay Hoyle): That was discussed at Speaker's conference this morning, and Mr Speaker is certainly uneasy about it. Concern was expressed by the other Deputy Speakers, as well. I can say that Mr Speaker will investigate the matter.

Backbench Business

[32ND ALLOTTED DAY]

Procedure Committee Reports

Mr Deputy Speaker (Mr Lindsay Hoyle): Mr Speaker has selected the amendment to the motion on hand-held electronic devices in the Chamber. With the leave of the House, we will take the first four motions together.

1.21 pm

Mr Greg Knight (East Yorkshire) (Con): I beg to move,

That this House notes the Third Report from the Procedure Committee on Use of hand-held electronic devices in the Chamber and committees, HC 889; and resolves that hand-held devices (not laptops) may be used in the Chamber, provided that they are silent, and used in a way that does not impair decorum, that Members making speeches in the Chamber or in committee may refer to electronic devices in place of paper speaking notes and that electronic devices, including laptops, may be used silently in committee meetings, including select committees.

Mr Deputy Speaker: With this we will consider the following:

Amendment (a) to motion 1, leave out from 'used in the Chamber' to end and add

'to a minimal extent, silently and with decorum, to receive and send urgent messages, as a substitute for paper speaking notes and to refer to documents for use in debates, but not for any other purpose.'.

Motion on Select Committee Amendments—

That this House approves the recommendations relating to select committee amendments contained in paragraph 21 of the Second Report from the Procedure Committee on Improving the effectiveness of parliamentary scrutiny, HC 800.

Motion on Explanatory Statements on Amendments to Bills—

That this House notes the recommendations relating to explanatory statements on amendments to bills contained in paragraphs 31 and 32 of the Second Report from the Procedure Committee on Improving the effectiveness of parliamentary scrutiny, HC 800; and invites the Leader of the House and the Procedure Committee to put in place a pilot scheme to implement these proposals in respect of one or more bills before the end of the next session.

Motion on Written Parliamentary Questions—

That this House approves the recommendations relating to written parliamentary questions contained in paragraphs 50 and 51 of the Second Report from the Procedure Committee on Improving the effectiveness of parliamentary scrutiny, HC 800.

Mr Knight: May I start by thanking the Backbench Business Committee for providing time this afternoon for these debates? I have to say that I do not think it should be the Committee's responsibility to provide this time. These are House matters relating to the procedure of the House, and I think that in future the Government should provide time for debates such as this.

All the motions arise out of reports by the Procedure Committee. For the benefit of Members I should say that House of Commons papers 800, 889 and 1104 are relevant. I thank the members of the Committee for their hard work, which goes largely unnoticed. We frequently disagree, but it is part of our strength that we have a Committee comprised of a wide range of Members from all parts of the House.

I wish to start by referring to the first motion, on hand-held electronic devices in the Chamber. The House last revised its rules on the use of such devices in the Chamber and in Committee in October 2007, and of course since that time the use of technology and the introduction of smaller and less obtrusive devices have developed rapidly, as has new software. I therefore believe we need to re-examine our rules.

I remember when I first purchased a mobile phone—I think I was one of the first people in the country to do so. I had to carry it with a shoulder strap, and the battery was larger than a large, bound volume of *Hansard*. It was a device that weighed about eight pounds, and it would have been totally impractical to bring it into the Chamber. Yet we now see devices that have the power of computers but are capable of being held in the palm of the hand. It is therefore right that we look again at our rules, and I hope that the House will agree to the motion before us.

As I said, the current rules go back to 2007. They permit the use of mobile phones and other hand-held devices to keep up to date with e-mails, provided that they cause no disturbance. Since 2007, the availability and use of new technology both within and outside Parliament has increased dramatically. There are many new devices, including portable tablet computers such as iPads, and smartphones, that did not exist when the Modernisation Committee drew up the report that led to our 2007 resolution. It was against that background that Mr Speaker and the Administration Committee asked the Procedure Committee to look into the matter and see whether it felt the rules should be changed. We gladly agreed to consider the matter further.

We have examined what happens in other parts of the world, and we were particularly impressed with the new and simple rule that has been introduced in the United States of America. There, the House of Representatives had previously banned the use of mobile phones and computers on the floor of the House, but on 5 January this year the new Congress agreed to a revised rule stating:

"A person on the floor of the House may not…use a mobile electronic device that impairs decorum."

That seems to us straightforward and simple. It is designed to give discretion to the Speaker, or whoever else is in the Chair, to decide what sort of technology can be used by referring to how the device is used rather than what it is used for or what type of device it is, as was the case in the past.

Mr James Gray (North Wiltshire) (Con): I want to pick up my right hon. Friend on one very small point. He keeps talking about "us", but I know he will acknowledge that the Procedure Committee was split on this matter, and that four of its members have signed the amendment.

Mr Knight: The Procedure Committee's report upon which the debate is based was passed by a majority of Committee members voting on it. I am happy to acknowledge straight away that my hon. Friend has been an opponent of it from the beginning and voted against it in the Committee. I accept that this is a matter of fine judgment. I do not think it is one of those issues about which one can clearly say that the mainstream view is right and any other view is wrong, but I hope during my remarks to convince the House that, on balance, it should follow the majority view of the Committee.

I accept that there is a respectable argument that electronic devices should not be used at all in the Chamber or in Committees. It could be said that Members present at any time should be attending to the debate in hand and not undertaking any other activities, and that the use of electronic devices, even silently, could distract others. However, there are arguments the other way. I believe that the main arguments, although not all the arguments, in favour of permitting the use of electronic devices are pragmatic. The Modernisation Committee, to which I referred earlier, recommended the lifting of the restriction on hand-held devices, at least as far as e-mails were concerned, because of the possibility that allowing multi-tasking in the Chamber might increase the number of Members present in a debate. In a report specifically aimed at revitalising the Chamber, it argued:

> "Members might be more willing to spend time in the Chamber listening to debates or waiting to be called if they were able to do other work at the same time, either dealing with correspondence or perhaps even using a handheld computer or laptop to deal with e-mails."

Claire Perry (Devizes) (Con): Does my right hon. Friend accept my view that given that women are notoriously good at multi-tasking, it is possible for female Members to listen to debates, attend to e-mails and even think about what they are going to feed their children that evening?

Mr Knight: I hope that some male Members are also capable of multi-tasking, but I am grateful to my hon. Friend for her support.

Kevin Brennan (Cardiff West) (Lab): In considering how to refresh and enliven the Chamber, did the Committee consider ensuring that the Chamber has wireless reception so that we can communicate more quickly using our electronic devices?

Mr Knight: I believe that in such matters it is better to take one step at a time, but we may return to that, subject to the House's conclusion today.

Several hon. Members *rose—*

Mr Knight: I give way to my hon. Friend the Member for Suffolk Coastal (Dr Coffey).

Dr Thérèse Coffey (Suffolk Coastal) (Con): I thank my right hon. Friend for giving way—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The hon. Lady has just walked in. It is a little discourteous, given that we have already started, for her to seek to intervene. She ought to allow others to do so first. It is up to Mr Knight whether he takes the intervention, but Members ought to listen for a bit before jumping in. Mr Knight, do you wish to take the intervention?

Mr Knight: I defer to your judgment, Mr Deputy Speaker, because you were facing in that direction and I was not. If that is you view, I am happy to give way to someone else.

Dr Julian Huppert (Cambridge) (LD): The right hon. Gentleman is laying out a clear case. Does he accept that one of the other functions of using hand-held devices in the Chamber is to let the general public know what is happening? Our procedures are not always clear to the casual observer. Many people are interested in what we do, and Twitter, for example, is a good way of letting them know what is going on.

Mr Knight: There is certainly a strong argument for saying that we should not rule out of order anything that increases public interest in the Chamber and our Committees. I agree, therefore, with the hon. Gentleman.

There is also the question of consistency. Written notes as well as books, newspapers, letters and research papers may be used as an aide-mémoire. There is no difference between allowing a Member to consult his or her speaking notes or necessary documents in hard copy and allowing them to use an electronic device. Indeed, as more material is published in electronic format only, it might soon be the only way in which some documents can be consulted, particularly if the House of Commons Commission pursues its quest for further savings and decrees that some of our publications, which currently we enjoy in paper format, should be available in electronic format only.

Kerry McCarthy (Bristol East) (Lab): I think that I inadvertently became the first Member to use an iPad for a speech in the Chamber a few months ago, mainly because I thought that we had been told that we now could—I picked that up from Twitter, so perhaps that is one of its perils. I was one of the last to be called in the debate and, whereas in other circumstances MPs might stick grimly to a pre-written speech, the fact that I could listen to Members and amend my speech as I went along meant that it was more of a response to the debate, as opposed to my coming along to say my five or 10 minutes' worth.

Mr Knight: That is a very good point. What is the difference between the written word on a note made contemporaneously and referring to an iPad or other tablet device using the same process?

Simon Hughes (Bermondsey and Old Southwark) (LD): Does the right hon. Gentleman accept that some of us think that the amendment tabled by the hon. Member for North Wiltshire (Mr Gray) proposes a more appropriate way of proceeding? It looks pretty bad if Members spend all their time looking at papers and other things that have nothing to do with a debate, but they look even less connected if they spend all their time playing with bits of electronic machinery. If we are here, we should be taking part in the debate, and the administration of our lives should happen outside.

Mr Knight: I hear what the right hon. Gentleman says. If I may, I shall return to his point when I address the terms of the amendment.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Does the right hon. Gentleman agree that it is wrong if Members decide to have a little snooze? The motion states that we should behave with decorum. Is that not the point? We should use electronic devices sparingly, but the option to use them should be available.

Mr Knight: That is the essence of my argument—in whatever we do, we should behave with decorum. There is no duty on any of us to listen to the Member who has the Floor. The duty on us is to behave with decorum and not to be out of order, which is why it is appropriate to allow the use of these devices. In many instances, Members wander into the Chamber early and wait for a debate to start, and are not there to participate in the debate under way. What is wrong with Members discreetly checking whether they have messages, e-mails or other documents to review?

Bob Stewart (Beckenham) (Con): As a lowly member of the animal life in the House, I have previously had to wait six hours to be called right at the end of a debate. As my right hon. Friend suggests, those six hours would be much more fruitful if I could do some work while waiting to be called—owing to my low position in the rankings of the House.

Mr Deputy Speaker: The hon. Gentleman does very well when he speaks. Perhaps that is why.

Mr Knight: I agree with my hon. Friend, although I have never thought of him as lowly.

The issue is one of fine judgment. I have reservations about basing the rules on what activities are permissible or forbidden. First, the inadequacy of the reference in our current rules—to checking e-mails and nothing else—shows how quickly the range of applications on hand-held devices could outstrip any attempt to define what is acceptable. Secondly, it is difficult, if not impossible, proportionately to police activity on an electronic device. Do we really want the Speaker frequently to have to rule on whether a Member had been using a device for a proper purpose following a complaint from another Member? It is illogical to prevent Members from using electronic devices when they could use paper speaking notes and documents or other research. Why should we prevent Members from checking facts on the internet in the Chamber?

Claire Perry: I was told as a new Member of Parliament by those who shall remain nameless, "Never mind whether your facts are accurate. Just say them anyway." Of course, I have never followed that advice, but there are many advantages of instantaneously being able to google an article or, for example, to send a message to the chief constable of Wiltshire police in order to deal with damning statistics being provided by Opposition Members. That is incredibly helpful to us in doing our job of holding the Government to account and being good parliamentarians.

Mr Knight: My hon. Friend is absolutely right. Ministers have had this facility for years. Officials in the Box have regularly passed notes to Ministers so that the latter can gauge the accuracy of points being made. Why should this be denied to the rest of us, who could obtain such information electronically? The Procedure Committee therefore concluded by a majority that Members should be allowed to use electronic hand-held devices for any purpose when in the Chamber while not speaking and that the current ban on the use of such devices as an aide-mémoire when we are speaking in a debate should be ended. I understand that even *Hansard* is now willing to accept notes for speeches electronically, rather than asking right hon. and hon. Members for a hard-copy of their speech. However, we all hope that such devices, if allowed to be used, will be used with discretion and due regard to decorum.

The amendment that I suspect my hon. Friend the Member for North Wiltshire will seek to move shortly would allow hand-held electronic devices to be used in the Chamber only to receive and send urgent messages as a substitute for paper speaking notes and to refer to documents in debates. There would be no right to search for information or to check e-mails while sitting in the Chamber.

Mr Gray: I cannot understand how my right hon. Friend has interpreted my amendment to mean that there should be no searching for information. Of course, there should be. The point of the amendment is that the devices could be used for any purpose connected to the debate, but for no other purposes. Of course, under the wording of my amendment as I understand it, they could be used to search for information.

Chris Bryant (Rhondda) (Lab): It does not say that.

Mr Gray: It does not have to.

Mr Knight: The amendment removes from the motion any mention of using such devices in Committee, which is extremely unfortunate because Select Committees already circulate non-confidential papers electronically. Indeed, I understand that the Administration Committee is piloting the use of electronic devices for the provision of some House papers. However, if my hon. Friend's amendment is passed, the Chairman of the Committee alone will determine whether an electronic device may be used. The amendment provides no guarantee of consistency in Committee use.

Mr Gray: Perhaps the drafting of the amendment is not all that it could be—had my right hon. Friend drafted it, it might be better—but if the procedure in the Chamber were changed in the way I have described, I presume that precisely the same would apply in Committee. I acknowledge that the amendment does not say that, but that is the clear implication.

Mr Knight: My hon. Friend is now telling the House what he wished his amendment would do rather than what it does. I could not recommend anyone to vote for such an amendment. He drafted it, and it takes out all references to the use of electronic devices in Committee. In my view, Members should have certainty in what they can and cannot do in Committee. Imagine a Member attending a Committee with their notes on an electronic device and the Chairman saying, "Well, in my Committee we don't use these devices." That Member would be left high and dry.

Chris Bryant: If we were to presume, in the way the right hon. Gentleman does, that Chamber practice was consistent with Committee practice, the rule allowing hon. Gentlemen to remove their jackets in Committee, which does not apply in the Chamber, would presumably lapse.

Mr Knight: The hon. Gentleman makes a fair point.

John Hemming (Birmingham, Yardley) (LD): The amendment has been badly drafted, but there is another aspect to it. Currently Members have to sit in the corridor to use laptops; if the amendment is passed, they will have to stay in the corridor and will not be allowed in the Committee Room. Does my right hon. Friend agree?

Mr Knight: I do indeed. I am against the amendment for reasons of consistency. If Members can send messages between themselves by paper, they should be allowed to do so with electronic devices. Indeed, if a member of a Committee wishes to pass a message to a member on the other side of the room, it might be less disruptive to use an electronic device, rather than leaving his or her chair, because sending a paper message would mean going to the side of the room. As for enforcing the rules, it would be difficult for the Chair to determine during proceedings whether a Member was using an electronic device to send or receive urgent messages. Who is to determine whether the messages that I view are urgent? Surely that is a matter for me to determine, not the Chair. The Chair would therefore be expected to rule on what is an urgent message.

John Hemming: Is not the real challenge for anyone receiving a message to know whether it is urgent before they have received it?

Mr Knight: That is a fair point. We have to view our messages before we know whether they are urgent.

Mr Roger Gale (North Thanet) (Con) *rose—*

Mr Knight: Although I am still halfway through my explanation of why the House should not support the amendment, I feel that I should give way to my hon. Friend.

Mr Gale: I am most grateful to my right hon. Friend. I would like to clarify something with him, because it is quite clear that he has not served on a Standing Committee for rather a long time. The Chairman of Ways and Means, in his courtesy and wisdom, allows members of the Chairmen's Panel, of which I happen to be one, a great deal of leeway in determining how we run our Committees in the interests of good order and progress of business. Let me assure my right hon. Friend that in any Committee I am chairing Members are under no illusions whatever about whether they are allowed to use electronic devices, which they are not, whether they are allowed to bring tea or coffee into the room, which they are not, or whether they are allowed to take their jackets off, which they are. I have never yet had a problem with any Member being in any doubt whatever.

Mr Knight: I am grateful to my hon. Friend, but he thereby underlines my case for passing the motion unamended. He has made it quite clear that if Committees were exempt, he would not allow the use of electronic devices, whatever view we took in the House. If we wish to see the use of electronic devices, I would invite the House to reject the amendment and pass the motion unamended.

The point about participation is not one that we can ignore, either. There is an argument that Members are more likely to attend debates if they are able to do other work while they are waiting to be called. That is why I believe we should allow the use of electronic devices in Committee and on the Floor of the House.

The remaining motions on the Order Paper, which you, Mr Deputy Speaker, have indicated we may debate together, contain three sets of recommendations that share a common aim: improving the effectiveness of parliamentary scrutiny. First, the Procedure Committee was asked by the Liaison Committee to consider whether Select Committees should be allowed to table amendments to Bills and motions being taken on the Floor of the House. We agreed to look at this and think there is a case for their being able to do so, subject to certain safeguards. Any amendment tagged as a Select Committee amendment should be agreed unanimously at a quorate meeting of the Committee, and notice should be given to all its members that such amendments will be proposed for consideration at a forthcoming meeting. We have also suggested that, subject to the established conventions on selection for debate and decision, the Speaker or the Chairman of Ways and Means might look favourably on a Select Committee seeking a separate Division on its amendments where business is programmed.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Let me say on behalf of the Liaison Committee that we are grateful that the Procedure Committee has not only accepted our proposal, which originated from the Joint Committee on Human Rights, but refined it, building in helpful safeguards. Is my right hon. Friend as astonished as I am that the Government appear to have it in mind to use the payroll vote to prevent what we propose from happening?

Mr Knight: I hope that the Government will have a change of heart even as this debate progresses, but I rather share the right hon. Gentleman's feeling that that may not come about.

Secondly, we also recommended that we should conduct a further experiment in this Parliament whereby Members and Opposition spokesmen are encouraged to attach explanatory statements to amendments and the Government provide explanatory statements clarifying the origin of amendments and new clauses proposed on Report.

Thirdly, our Committee recognises that although written parliamentary questions are a vital part of parliamentary scrutiny, they impose a significant cost on the public purse. Although we felt it would be wrong to consider imposing restrictions on Members' ability to table questions in person, we think we should have a three-month trial whereby Members are restricted to a quota of five written questions a day submitted electronically.

To assist Members, we also recommended that the Government should deliver all answers to parliamentary questions to the Member concerned by e-mail at the same time as the answer is delivered to the House, which is vital. I do not know whether Members know this, but answers are delivered by a person who literally walks round the building. He takes the answer into *Hansard* and then to the Press Gallery, and then he puts it on the notice board for the Member. I asked a question recently, and in my case I was the last point in the journey. The House business was collapsing and I was on a train when I had a phone call from a journalist wanting to know my view on the answer to my question, which my office had not received. On checking the board, I found that it had still not got there. I therefore do not think it acceptable for Members to be the last in the queue when receiving answers to their questions. That is why we feel that there ought to be a system in place whereby Members always receive an electronic reply immediately the answer is available.

Jo Swinson (East Dunbartonshire) (LD): I warmly congratulate the right hon. Gentleman and his Committee on an excellent set of reports and proposals on explanatory statements and so on. However, I want to press him slightly on the restriction on written questions that are only e-tabled, which seems to go against the arguments for consistency that have been marshalled for electronic devices. Surely a question should be treated the same whether it is tabled via the internet, by post or in person. Although we might need to look at a quota system, I cannot quite understand why electronically tabled questions need to be a special case, so that there is a quota for them but not for others.

Mr Knight: If I may, I will come back to that point in a moment. I want to deal completely with Select Committee amendments first, but I will return to the hon. Lady's point and, if she is not satisfied, I invite her to intervene on me again.

The Procedure Committee was invited by the Liaison Committee to look at the possibility of a tabling system that would enable Select Committees to table their own amendments. The current practice is that amendments agreed by a Select Committee may be tabled only in the names of individual Members, which makes it difficult to distinguish Committee amendments from those tabled by the same members of the Committee acting as individuals. After consulting interested parties, the Procedure Committee published a report recommending that the practice be changed to allow Select Committees to table amendments to Bills and motions in the name of the Chair, with a tag line indicating the name of the appropriate Select Committee. The advantage of that practice would be that it would offer clarity to the House and to individual Members, and enable anyone reading an amendment paper to see that an amendment had originated in a Select Committee. It was also felt that it would contribute to the effectiveness of Select Committees.

We recognised, however, that there could be disadvantages, as individual members of a Select Committee might disagree with a proposed amendment, either at the time of its adoption by the Committee or afterwards. To counter that, the Procedure Committee recommended that stringent safeguards be built into the process whereby Committees agreed amendments that carried the special status of Select Committee amendments. We suggested that such amendments would have to be formally agreed, without Division, by a quorate meeting of the Committee. That is a more rigorous requirement than that for Select Committee reports, which can be agreed by a simple majority.

The Committee rejected the idea that Select Committee amendments should be guaranteed debate, because of the constraints of programming, but we supported the adoption of a convention that the Chair should grant a Division when one is sought. Unfortunately, as the Chairman of the Liaison Committee has said, the Government have indicated that they oppose this innovation, and I understand that they continue to oppose such a modest, sensible move today. Indeed, I have seen the Patronage Secretary buzzing round the House, rather like a wasp, discussing this matter. I therefore suspect that there could be a Government payroll Whip on this Liaison Committee suggestion.

The Government object to the proposal because they feel that it would be wrong for an amendment to be marked as having the support of a Select Committee if some of the Committee's members might be in disagreement. We have tried to address that difficulty by recommending stringent conditions that would have to be met before a Select Committee amendment could be tabled as such. They include the condition that notice must be given before the Committee could agree the amendment. The Government say, however, that it would still be possible under the new arrangement for any two members of an 11-member Committee to approve an amendment on behalf of the whole Committee, as the quorum is only three and the Chair has a casting vote. That is technically correct, but I would suggest that the requirement for notice would make it most unlikely—or, in practice, impossible—that that could happen against the wishes of a majority of active members of a Committee.

Chris Bryant: With due respect, I do not think that either the right hon. Gentleman or the Government are correct in what they say. In this House, unlike the House of Lords, the Chair of a Committee has a vote only when there is an equality of voices.

Mr Knight: The hon. Gentleman makes a very good point. That makes my argument even stronger and the Government's case even weaker, and I am grateful for his intervention.

Our proposal is merely intended to enhance the visibility of Select Committee issues, without in any way diminishing the position of individual members in voting for or against amendments on the Floor. This matter was not initially on our agenda, but the Liaison Committee asked us to look at it. We have done so, and this is our conclusion. I therefore hope that, even at this late hour, the Government will reflect on their opposition to it, which I feel is misplaced. We have given our view, and whether the proposal now proceeds further is a matter for the whole House.

I see the hon. Member for Brighton, Pavilion (Caroline Lucas) in her place. She was one of the Members who supported the idea of explanatory statements, which is the subject of one of the other motions on the Order Paper today. The House has conducted a series of experiments with explanatory statements, and the Procedure Committee has assessed them. We decided that the overall effect was inconclusive, but it was put to us that carrying out a further experiment in a new Parliament—namely, this one—could be worth while, and that it would also be worth pursuing the experiment during the Report stage of a Bill. That is what we have decided to recommend to the House, and we are pleased to note that, in a debate Westminster Hall on 3 February this year, which the hon. Lady attended, there was complete consensus that it would benefit not only Members but those outside the House to have an accompanying explanation of what an amendment or new clause was designed to do.

I am rather more hopeful about this proposal, because the Deputy Leader of the House attended that debate and—it was a rare situation indeed—offered Government support for the measure. He said:

> "Regarding explanations for amendments, we had the experiment in Committee and I am certainly happy, as far as the Government are concerned, for that experiment to proceed. Perhaps we ought to look at having such explanations on Report, too."—[*Official Report*, 3 February 2011; Vol. 522, c. 384WH.]

I wholeheartedly agree with him, and I am glad that, on this issue, we are as one. I hope that he will confirm today that he now thinks it appropriate for us to trial the explanatory notes again in this Session and the next one. It would then be a matter for the House to decide in due course whether the facility was to be made permanent.

On the question of having a three-month trial quota for questions tabled electronically, the concern arose from evidence—mainly informal—from the Table Office. It found, when questioning the intended scope of some questions tabled electronically in Members' names, that some Members appeared to know nothing about the questions and registered surprise that they had been tabled in their name. The Procedure Committee took the view that, in some cases, research assistants might be using the electronic procedure to table questions without the express authority of those for whom they work.

Questions are a proceeding in Parliament and should not be submitted without the express and explicit authority of a Member of Parliament. As the electronic submission method could be used without the Member's knowledge, we decided, in this area only, to limit the number of questions to five in a three-month period to see what the effect would be. We are not recommending any restriction on the number of questions that a Member may take into the Table Office personally. This is a modest recommendation, and we hope that it will lead to Members being fully aware that a question is being submitted in their name.

Dr Huppert: Would an alternative be to encourage the use of electronic submissions and to introduce a system whereby, once a question had been received, it was automatically sent to the Member by e-mail? It would then be very hard for a rogue researcher to table questions without being noticed.

Mr Knight: That is a possibility, but we felt that, in the first instance, this three-month trial might lead to a small drop in the number of questions that a Member might deem worth asking. If Government Departments had smaller postbags to deal with, it could lead to better and quicker answers. We think that that is worth an experiment, but of course there are other options that we could look at. Indeed, as it is just an experiment, I would be quite happy to reflect on what the hon. Gentleman has said, should this motion proceed today.

Mr Gale: My right hon. Friend is being gentle and courteous, but I think it is time he took the gloves off. There is a very real problem of parliamentary processes being manipulated by others who are not MPs—lobbying bodies, researchers and other parties associated with MPs. The process is quite clearly being abused, and it is time it was brought under control.

Mr Knight: I am grateful to my hon. Friend. This is a modest way of putting a check on the number of written questions going in and ensuring that in each case the Member is fully aware of what is being tabled in his or her name.

I have now laid my Committee's recommendations before the House. I believe that they are all balanced, fair, proportionate and likely to assist Members in the performance of their duties. I commend them to the House—unamended.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. A 10-minute rule for Back-Bench speeches now comes into force. Will Members try not to use the maximum time and to cut down on interventions? The next debate is greatly oversubscribed. I understand that this debate is important, but people outside might not understand why we wanted to spend more time on hand-held devices than on high-speed rail.

2.1 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I am grateful for the opportunity to speak in robust support of the main motion and strongly against the amendment. The main motion seeks to allow Members to use hand-held devices in a way that does not impair decorum. We are all adults, and we are all mindful of how we are viewed in the eyes of the public and of the importance of being respectful to each other. It is therefore right that we use our phones and our tablets with discretion. It is also correct that laptops should be banned—they conceal people's faces and make a noise—and it is right that any smartphone or tablet should be in silent mode when used. It is always regrettable and often embarrassing when a colleague's phone beeps or rings in the Chamber.

I cannot support an amendment that allows Members to receive and send only urgent messages. According to an e-mail that explained this amendment, the intention behind using the term "urgent messages" is to ban tweeting, among other things, from the Chamber. Twitter started five years ago and now has more than 100 million active users. More than 300 MPs use Twitter. It allows us, in a bite-sized 140-character nugget, to talk to people outside this place. While it is not a replacement for traditional forms of communication, it is a very useful way to connect with the communities we were elected to represent.

Tracey Crouch (Chatham and Aylesford) (Con): I am a user of Twitter myself. One of its advantages is that messages have to be condensed into 140 characters to communicate with the outside world. Does the hon. Lady agree that we could learn from that, and try to condense more of our contributions to 140 characters?

Luciana Berger: I thank the hon. Lady for that intervention. That point has been made by many people engaged in the discussion about whether we should be able to continue using Twitter from the Chamber. I shall go on to refer to some of those contributions.

Many of us have a function whereby our tweets are listed on our websites for people to read, particularly for those who do not access the main Twitter website.

[Luciana Berger]

Some MPs have been lambasted for using Twitter solely to publish press releases or to state what they are doing. Others use it to engage in debate. A conversation on a topic can unfold on Twitter via a hashtag. I started #keeptweeting to initiate an online discussion and identify what the public thought about tweeting in the Chamber. I was careful to ask what people thought about using Twitter in this place, not outside it.

The fact that the amendment has been tabled at all has provoked anger from some. For example, @RichSwitch said:

> "No wonder people think Politicians are out of touch".

There were many tweets offering reasons why Chamber tweeting should continue. I will not read them all, but I have picked a few relating to a number of themes. Some see it as a means of engagement. For example, @LeamingtonSBC said:

> "Surely anything which widens public participation in the democratic process is a good thing!"

Similarly, @NHConsortium said:

> "Parliament already seen as cut off & static, don't amputate it further."

Others shared why Twitter was important to them in understanding what is going on. Thus @maggieannehayes admitted that

> "parliament can be such an alien place. MPs tweeting enables us, the voters, to get a sense of what's happening".

Mr Gray: Does the hon. Lady agree with me that she has taken a somewhat self-selecting sample? She has asked the twitterers whether or not they like twittering. I would have thought that they probably would do.

Luciana Berger: I thank the hon. Gentleman for his intervention. I shall come on to the responses of people who thought that we should not continue tweeting. I have a selection here. To continue, @PercyBlakeney63 said, "Citizens deserve transparency", while @Daisydumble said, "Censorship of MPs now".

Claire Perry: Does the hon. Lady agree that tweeting helps MPs to stay informed, in touch and accountable to their constituents, and that to ban it would be an inexplicable step back in time? That is 138 characters.

Luciana Berger: I thank the hon. Lady for her succinct, pithy and tweetable intervention of 138 characters, and I wholeheartedly agree with everything she said.

All too often we are accused of being inward-facing. The public say that we are out of touch and inaccessible. Twitter allows us to make politics relevant, and makes us as individuals accessible.

Kerry McCarthy: I am not sure whether my hon. Friend was in the Chamber when we discussed whether we should able to discuss whether the UK Youth Parliament should be allowed to sit here on a Friday for the second year running. It was a debate on whether to have a debate on that subject. Many MPs were here into the early hours of the morning. It was important that we could tweet and explain to people, particularly young people, what on earth this charade they were watching on the BBC Parliament channel was all about. Many young people wanted to know what we were talking about. I think that was the best use of Twitter in the Chamber that I have encountered so far. I think people valued the fact that their MPs were prepared to explain to them what was going on.

Luciana Berger: I thank my hon. Friend for her intervention and wholeheartedly agree with everything she said. That was a good example of something embarrassing—the prospect of not allowing the Youth Parliament to sit in this place. We debated it for many arduous hours and came to the right decision in the end. The fact that we were able to communicate with the public, particularly with those young people who wanted the opportunity to come here, was a fantastic use of Twitter. Twitter also enables us to offer an immediate reaction to a debate, to signal when we are going to speak—as I did just before I began my speech—and to inform our constituents how we are voting.

Dr Huppert: I have the great honour, I believe, of having been the first of all current MPs to join Twitter. It has been useful. *[Interruption.]* I was not an MP at the time I joined; I do not claim that. I, too, have received a number of comments about this debate. A number of people said that they had become interested in politics as a result of following Twitter and receiving tweets from myself, the hon. Lady and others. There are also people who actively tune into debates because they know what is happening; they can quickly understand what is being debated in this place. The TV and online audience for Parliament goes up because of Twitter. Another point is that deaf people have no better way of following a debate in this Chamber as it happens.

Luciana Berger: I thank the hon. Gentleman, who makes two points on which I shall elaborate in a few moments. As I said, I believe that Twitter, for the reasons I outlined, allows our constituents to hold us to account better.

A number of Members have said that if the public want to know what is going on, they should watch our proceedings on television. However, as @Scarletstand said, people "can't all watch" it "on TV". Not everyone has access to a television or a computer for internet TV, although they may have internet access to sites like Twitter on their mobile phones. It also less likely that the public would choose to watch the Parliament channel. The right hon. Member for Bermondsey and Old Southwark (Simon Hughes) expressed in an earlier intervention his worry about what people might think as they watched us on television, but according to BARB—the Broadcasters Audience Research Board—the average weekly viewing per person of BBC Parliament is just one minute.

Kevin Brennan: That much?

Luciana Berger: That much. I think it is when they flick through to get to another channel. As @Scarletstand went on to say, tweeting from the Chamber

> "helps voters gauge mood & tone".

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Is the hon. Lady aware of any evidence relating to MPs like me who do not tweet to suggest that our constituents are less satisfied with us than other constituents are satisfied with their MPs who do tweet?

Luciana Berger: I am not aware of any evidence to suggest that constituents would be less happy with their MPs if they did not tweet. I am saying, as I have said before, only that Twitter enables us to reach out to a wider audience. It should not be a replacement for traditional forms of communication, but for younger constituents and people who go on to our websites and want to see some pithy little updates, Twitter provides that opportunity. As I said earlier, it also enables people to gauge the mood and tone of this place, which they might not be able to pick up by watching television.

One aspect that had not occurred to me until I opened up the debate on Twitter is the fact that, as the hon. Member for Cambridge (Dr Huppert) mentioned a moment ago, it has positive benefits for people with hearing impairments. The BBC parliamentary channel is not subject to the BBC's 100% subtitle commitment, and pledges just 800 hours of subtitled content a year. As @TimRegency observed, Twitter is one really useful way for deaf people to get involved in political discussion and debate.

Some objections were expressed. @JimSpin said that we could not concentrate and tweet. However, I would argue that we can, and that tweeting is equivalent to sending a text message, which takes just seconds. I agree with the hon. Member for Devizes (Claire Perry) that both women and men are able to multi-task.

@Donna_Smiley asked:

> "Can surgeons tweet from operating theatres, policemen in a raid, jurors from courtrooms, teachers from classrooms?"

I would argue that the audience for each of those individuals—the surgeon, the teacher and the juror—is immediately in front of him or her, whereas we are accountable to our constituents, who are a long way from this place.

Do not get me wrong. I am not advocating constant tweeting, or tweeting while we are talking. As @TrojanFanl969 said,

> "mp's to use common sense. 50 tweets an hr bit silly, but selective use v good, engaging with electorate etc."

Just two countries in Europe have banned tweeting, and I do not think that we should join them. @RichSwitch said:

> "A ban on Tweeting in the chamber would be unconstitutional".

I am not sure that I agree, but I do believe that—as he also says—it would be

> "anti-democratic, regressive and bemusing to the public".

2.11 pm

Sir Alan Haselhurst (Saffron Walden) (Con): I am grateful for the opportunity to contribute to the debate. I am not speaking to a brief from the Administration Committee, and I am pleased that the written evidence submitted on behalf of the Committee—whose conclusions were unanimous—has been printed along with the report that is before the House today. What I am about to say will contain my own emphasis, in the context of the Procedure Committee's report and its recommendations to the House, and I am aware that it will give me a good chance of becoming the leading candidate for the "dinosaur of the year" award.

I think that we should appreciate the extraordinary reputation that the House has throughout the world. We should be humbled by the fact that whatever Parliament or the Government may say or decide, the institution itself is admired and respected enormously. People come from everywhere to see how we proceed as a legislature. I think that the requirement for us to stand on our own feet and use our own wits produces a quality of debate that has given all British parliamentarians a fairly high reputation around the world.

We should bear that in mind, because I believe that if it appears that we are being prompted from outside—which is entirely possible if hand-held devices are produced in the House—our reputation will decline. I am not targeting the hon. Member for Liverpool, Wavertree (Luciana Berger), but I believe that such devices will accentuate the tendency to read speeches, and the reading of speeches, which is discouraged by "Erskine May", does have a dampening effect on debate. The hon. Lady made a very gracious contribution, and I repeat that I am merely making a general point.

Once, when I was in the Chair, I had to listen to a speech from an hon. Member who is no longer in the House. I thought that it had a certain ring about it, and indeed I discovered that it was a submission by that hon. Member to a Select Committee which was being read to the House. I was able to follow it word for word. I think there are certain dangers in going down that particular road.

Caroline Lucas (Brighton, Pavilion) (Green): Does the right hon. Gentleman agree that many speeches that are based on closely written notes are a great deal more interesting than some of the more rambling contributions of other Members? I mention no names.

Sir Alan Haselhurst: I accept that the quality of our contributions may vary, and I certainly make no claims for what I have said in that regard. As the hon. Lady knows, I have experienced 13 years with no practice of speaking in the House, so I am a bit of a newcomer myself.

I sometimes wonder, though, what would happen when a Member was using an electronic tablet, for example, and the power went off. That Member could be caught in a very difficult situation. It is ironic, is it not, that we are discussing this matter at a time when one of the best-known devices, owned by many Members, is having problems in achieving the purposes that some Members have extolled today.

I know that I shall not be able to stem a tide of what is, I guess, modernity, but there can be no doubt that it is transformational, and that it does not necessarily accord with the style of debate that we have used in the House over the years. Twice, when I had the privilege of sitting in the Chair, I had to restrain hon. Members from making telephone calls from the Chamber simply because the device was there. No one is suggesting that telephone calls should be made, but the fact that the device is there and can be used for that purpose does, I am afraid, lead to infringements. I also noticed that the Whips on duty on the Government and Opposition Benches were often distracted by the use of their devices and were not keeping pace with business, which created a dysfunction with the Chair.

[Sir Alan Haselhurst]

Such devices are very compelling when they are in someone's hand. It is not a question of what they might do, which is what is being recommended, but a question of what they can be used for. We know that people's eyes tend to be drawn to a television screen when they visit someone else's house. Similarly, the press of a button on a hand-held device can easily enable someone to view images from outside the House that command his or her interest. People know of my interest in cricket. How convenient it would be to ascertain what was happening in the Test match at that very moment! As the bowler was walking back to the end of his run, I should be able to look up and appear interested in what was going on in the Chamber, before looking down again at what was happening at the match.

Notwithstanding the qualified nature of the recommendation before the House—and the fact that it is accompanied by an even more curious suggested qualification from my hon. Friend the Member for North Wiltshire (Mr Gray)—the Chair will have no means of knowing what is actually happening when these devices are in use. When we admit them—if we do—we shall have to recognise that they can be used for a variety of purposes that the Chair will find very difficult to distinguish from one another.

Mr Gray: Will my right hon. Friend give way?

Sir Alan Haselhurst: I am afraid that I will not. It would extend the length of my speech, and I do not want to do that in view of the limited amount of time left. I apologise to my hon. Friend, because I did refer to him.

It has been said that the purpose of allowing hand-held devices in the Chamber is to enable Members to get on with other activities—what my hon. Friend the Member for Devizes (Claire Perry) described as multi-tasking. I can honestly say, however, that over the years the Chair has tried to accommodate colleagues by not making them sit through the whole of debates. The convention is that Members are present for opening speeches and for the speeches immediately before and after their own, but the Chair sometimes provides guidance, bearing in mind that we are all under heavy pressure to do so many other things nowadays. I therefore do not think that the idea that Members have to be present for six hours and must get on with their work during that time is a particularly good excuse.

I am not sure whether this still happens, but I know that the public have complained about the fact that the Chamber is so often empty and have asked, "Where are they? What are they doing?" One of my constituents said to me once that any Member who was not in his place in the Chamber for the whole of a debate should be deselected. That has been the level of misconception outside the House. But now, as they look around the Chamber, the public are beginning to notice that Members are, in fact, doing something. A moment ago I saw several colleagues, heads down. It is not a question of whether they are able to multi-task, or whether they are unable to listen to what is being said; it is a question of what the public think they are doing—and they do appear to be distracted from what is going on. That is a reputational point, and the House should consider it. Although I suspect that the House will bow to the inevitable and say, "This is progress," we must be aware of the direction in which we are heading and understand that the character of our debates is likely to alter.

The Administration Committee report suggested that we should trial this move much more in Committee first, and I still believe that. I used to have doubts on this subject. When I was the Chairman of Ways and Means and the Chairman's Panel, we were rather opposed to the use of laptops, but I think that the tablet is different. It is less obtrusive and can be used effectively to deal with notes on clauses and all matters related to Committee work. I encourage this course of action, therefore, and that is why the Administration Committee is trying out how to operate in a paperless manner.

To my mind therefore, a better balanced response would have been to say, "Let's see how this works in Committee before considering whether there is an essential difference between the work in Committee and the work in the House." My right hon. Friend the Member for East Yorkshire (Mr Knight), for whom I have great respect, said what he was commending was a balanced approach on hand-held devices. I think the Administration Committee proposal, which I have advocated in my speech, would have offered a better balance still.

2.21 pm

Caroline Lucas (Brighton, Pavilion) (Green): I warmly welcome this debate and congratulate the right hon. Member for East Yorkshire (Mr Knight) on his Committee's work. I support the Procedure Committee recommendations on Select Committee amendments and handheld devices, but I shall focus on the motion on explanatory statements to amendments. That might sound like a very dry, technical and abstract issue, but I believe it goes to the heart of exposing something that is rotten about the way this place works. When I first arrived in Parliament as a new MP last year and started voting on legislation, I was shocked to discover that, due to lack of time, some Government amendments go through on Report "on the knife", with neither debate nor explanation. That effectively means that legislation is being passed with no scrutiny whatever.

It is equally scandalous that many MPs frequently have no idea what they are voting on when they file through the Lobby. The Procedure Committee has done excellent work in trying to address that problem and has offered the simple solution of explanatory statements. I addressed this issue last year in a report entitled, "The case for parliamentary reform". Following that report, I was able to secure a lively and well-attended Backbench Business Committee debate in Westminster Hall, which was held on 3 February.

During that debate, I was heartened by the degree of cross-party support that there was for the idea of explanatory statements for amendments taken on the Floor of the House. That was supported because the public would be rightly outraged were it to be widely known that legislation is being passed undebated and that many MPs are simply not in a position to know what they are voting on.

Steve Baker (Wycombe) (Con): Given the sheer volume of legislation that passes through this place, the truth is that none of us can be fully familiar with all of it. Surely the hon. Lady could be a little more generous-spirited to the rest of the House?

Caroline Lucas: The hon. Gentleman underlines my point. I am not blaming Members as they simply cannot know the minute details of the effects of all amendments. That is why having explanatory statements—a limited amount of text clearly explaining what a particular amendment seeks to achieve—is so important. If Members had that information, they would be much better able to exercise their vote judiciously on behalf of their constituents, and would be able to put their hand on their heart and say, "Yes, we do know what we are voting on here."

I was about to discuss the question of who is at fault. I am not blaming hon. Members; I am blaming the way we work. Given the way our system is set up, it is perhaps understandable—but it is not acceptable—that many MPs have to rely on the Whips to tell them how to vote, and do not really know what the amendment they are voting on actually does. I have seen Members literally being physically propelled through the Aye Lobby in support of Government legislation even as they are trying to find out the significance of what they are voting on.

Members might be less likely to be treated in such a way if there were a simple explanation of the effect of each amendment under consideration, and at least they would know whether they actually agreed with the Whips' directions. If there were explanatory statements, there would be more transparency and better debates, and Members would be better able to object when the Government make a large number of significant amendments to their own legislation on Report with inadequate time for scrutiny.

It is, of course, absolutely right that MPs should as much as possible listen and contribute to debates in the Chamber, which should enlighten them on the effect of any given amendment. However, as all Members know, being an effective MP involves many other tasks, including responsibilities to undertake work on Committees, to attend debates elsewhere, to chair and attend meetings, to take part in all-party groups, and to meet constituents. As a result, MPs do not, and frequently cannot, sit in the Chamber for all the time that the debate on amendments on which they will later vote is going on. Furthermore, if it were easier to work out what the amendments meant before the debate, more MPs might contribute.

It is obviously good for democracy for MPs to know what they are voting on, but it is also important that we have a system that can be easily understood by members of the public who want to follow a Bill. Currently, interested citizens who might be following proceedings on television or on Twitter have to go separately to the Bill, then look up the clause and then probably go to the explanatory notes to the Bill to try and make sense of what is happening. We need a remedy.

Jo Swinson: The hon. Lady mentions explanatory notes to Bills, which we currently have. Does she agree that the proposal under discussion is simply an extension of what is already available? We have explanatory notes saying in plain English what a Bill does, and to extend that to amendments is a common-sense proposal, particularly for those of us and our constituents who do not have legal training. I have had experience of sitting in a Bill Committee and reading an amendment proposed by another Member and wondering what it means. Sometimes that is not clear until the debate starts. This proposal would address that problem.

Caroline Lucas: I completely agree. The hon. Lady's comments underline the fact that the proposal is not as complicated as rocket science; rather, it is an extension of the common-sense measures that are already in place.

Chris Bryant: I must have been reading different explanatory notes than the hon. Member for East Dunbartonshire (Jo Swinson) as I have never known them to explain anything. I fear that explanatory notes on amendments would be even worse, and I note that the report states:

> "An explanatory statement is not required where the amendment is self-explanatory".

Caroline Lucas: The hon. Gentleman can try to make fun of this proposal if he wants, but in the European Parliament it is mandatory to have an explanatory statement and it is incredibly useful. If it is condensed down to about 50 or 100 words and explains what a measure is intended to achieve, an awful lot more people will have an awful lot more sense of what is going on. If the hon. Gentleman wants to stand up and say he thinks it is absolutely fine that so many Members do not know what they are voting for, that is up to him, but I am not happy about that.

Several hon. Members *rose*—

Caroline Lucas: I want to make some progress.

There is an ongoing pilot in Public Bill Committees, which is permissive in that it allows Members to table explanatory statements to amendments if they wish. What is now needed is to make that pilot permanent and to extend it, so that Members can table explanatory statements in Committee of the whole House and, crucially, on Report.

Given this state of affairs, it beggars belief that a Government who say they want more transparency and a healthier democracy were so negative and obstructive in their response to the Procedure Committee recommendation for explanatory statements on the Floor of the House. Why are the Government doing their utmost to block this simple move, which seeks to make sure that MPs are not just rubber-stamping legislation and to prevent the Government from sneaking things through on Report without any scrutiny whatever?

The Government try to use the low take-up of the Public Bill Committee pilot as an argument against changing the status quo on the Floor of the House, but that argument does not stand up to scrutiny. First, as the Government well know, MPs serving on Public Bill Committees will all be thoroughly engaged in the detail of the Bill, and the 20 or so members of a PBC voting on an amendment that they have all thoroughly discussed in minute detail is quite different from a Division on the Floor of the House, where 650 Members are called to vote, the majority of whom have no idea of the specifics of what they are voting on. So explanatory statements would be there not for those who had tabled them but for those who are voting and, thus, the suggestion that a lack of action from people tabling them equates to a lack of demand simply does not stack up.

If the Government really want to measure demand, why do they not simply survey MPs running down the escalators from Portcullis House to the Lobby all asking

[Caroline Lucas]

each other hurriedly, "What's this on? What's going on? What are we voting on?" Furthermore, the Government should have been leading on this pilot. If they had made the effort to provide explanatory statements consistently themselves, they could have created a culture where such provision was expected. Instead, they did nothing to participate in or assist with a simple pilot of a mechanism to increase transparency.

When I tabled explanatory statements alongside my amendments in the Energy Public Bill Committee, MPs from all parts of the House told me how helpful they found it. This is about leading and working to change the standards that Members expect, and have expected of them, when they try to change legislation.

Zac Goldsmith (Richmond Park) (Con): I understand that this proposal does not require the Government or anyone tabling an amendment to provide an explanation, but merely allows them to do so.

Chris Bryant: The Government have to.

Zac Goldsmith: So it requires the Government to—I thank the hon. Gentleman for his intervention on my intervention.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I think that we will have the debate carried out through the Chair.

Zac Goldsmith: My apologies, Mr Deputy Speaker. Does the hon. Lady agree that this should be a requirement on anyone tabling an amendment in order to boost slightly the chances of people having some idea of what they are voting on when they go through the Lobby? I absolutely concur with her view that most people have no idea what they are doing when they vote.

Caroline Lucas: I thank the hon. Gentleman for his intervention and I agree with him. It should be the case that not only the Government, but all Members should provide a short explanatory statement explaining the purpose of any amendment that they table. That would help everybody.

The Government's complaint about these explanatory statements, as set out in their response to the Committee's report, was that the statements would be a "burden". Their idea that providing the statements would be too burdensome for them displays an incredible arrogance. If they want to change the law, they have to accept the work involved in making their intentions transparent. They should be more respectful of the right of this House to scrutinise the laws they want to pass.

In conclusion, this proposal is about redressing the balance between Back Benchers and the Executive. The Executive are riding roughshod over the rights of Back Benchers to scrutinise them. The Government have put up obstructive objections, which demonstrate their desire to maintain a massive imbalance in their favour. This is bad for Back Benchers, bad for democracy and bad for the legislation that we must live by. So long as MPs are not told what they are voting on and Government amendments go through without debate, our system merely delivers an illusion of scrutiny. I can think only that the Government are trying to protect a system that serves to keep MPs as Lobby fodder and to keep the public in the dark. We are talking about secretive and opaque processes that serve against transparency and are reminiscent of the processes preserved for so long to try to hide the expenses scandal. I can assume only that the Government are taking this approach with some deliberate measures in mind. The fact that MPs have no idea what they are voting on is a scandal. It has been going on for years, but as the public find out more about it, as with expenses, they will be rightly horrified.

Eight months have passed since the debate on parliamentary reform in Westminster Hall, and I am disappointed that it has not been possible to effect greater change more quickly. I hope that the motion on explanatory statements will go through today. If it does, it will be a quiet but significant win for transparency and democracy. But if the Government force a vote, whipped or not, I hope very much that Back Benchers will stand up for themselves to address a glaring fault in our parliamentary democracy and correct the appalling imbalance that currently favours the Executive.

2.32 pm

Mr Roger Gale (North Thanet) (Con): I shall be very brief, Mr Deputy Speaker. I rise to support the amendment standing in the name of my hon. Friend the Member for North Wiltshire (Mr Gray). I am particularly concerned, as a member of the Speaker's Panel of Chairs, at the impact of the proposals before the House on behaviour in Committee. I fear that if the report goes through, as it is suggested it will, and if that impact is felt on the Floor of the House, it is almost inevitable that those of us who find ourselves in the business of having to chair legislative Committees upstairs will be under similar pressures to allow similar devices in Committee.

What we have experienced in the House over the past few years is, first, a definite shift away from the use of notes and the participation in genuine parliamentary debate, of which this country has historically been very proud, and towards the preparation and reading of speeches. The preparation has been carried out either by the Member concerned or by other people who then persuade the Member to read the speeches for them. That has become particularly prevalent in Public Bill Committees. It is no great secret that hon. Members on both sides of the House have taken to reading into the record vast tracts of brief prepared by lobbyists for the sole purpose of putting something on the record. That is not debate: it is a misuse and an abuse of the processes of this House. If we are now to suggest that hon. Members on both sides of the House are going to be allowed to twitter and tweet and receive comment in the course of these debates, it is inevitable that we will have people sitting in the Public Gallery sending messages, saying, "Ask him this," "Tell her that," or "Read this." That is not what this place is about. If hon. Members come into this Chamber, they can and should be expected to sit down, listen to the debate, hear what other Members are saying and agree, disagree and comment accordingly, rather than simply reading out prepared speeches.

As the Chairman of Ways and Means, Mr Deputy Speaker, you, like your predecessor, have been extremely understanding in giving leeway to those of us who chair legislative Committees, allowing us to manage the business on the Floor of the House, when there is a Committee of the Whole House, or in Committee in our own way and in the interests of the Members and the business they are trying to get through. It works. Any man or woman sitting in the Chair, whether that is the big Chair in which you sit, Mr Deputy Speaker, or the slightly smaller Chair in one of the Committee rooms, has to exercise the Nelson touch and we do so constantly. We know what is going on; we know that on occasion the processes of the House are being abused.

We know that hon. Members are busy people and that within the next six weeks, before Christmas, Committee tables will suddenly be piled with Christmas cards being signed while Members are also participating in Committee business. That is inevitable. It is multi-tasking and a dual use of time, but as a Chairman I object to the kind of situation that occurred fairly recently in a Committee over which I was presiding. A Front-Bench spokesman—I will not name the party—was so obsessed with an electronic device and the manipulation of that machine that they missed the amendment they were supposed to be moving, in spite of my best efforts to get their attention from the Chair and draw them back to the business in which they were supposed to be participating. That is nonsense.

Ian Paisley (North Antrim) (DUP): Will the hon. Gentleman give way?

Mr Gale: No, I am going to be very brief.

Outside the Committee Rooms upstairs, there are wonderful green benches, rather like the ones in the Chamber, and lots of tables and telephones where people can go and work, send messages, receive messages, have cups of coffee and do what they like outside the Committee Room. I can see no place for these electronic devices in the Committee Room at all, any more than I can see any rhyme or reason why Members should sit there reading newspapers and magazines, which is, of course, also not allowed.

I accept—and use—a radio pager. On occasions, I have received messages while I have been in the Chair and I have had to say to the Badge Messenger, "Here's a telephone number. Can you please go and ring that person and tell them that I cannot talk to them because I am in Committee and that I will ring them when I come out?" I do not have a problem with that—I do not know a Chairman who does. I do not have a problem with the sensible, quiet, courteous and discreet use of these machines in precisely the way that the House of Lords, at the other end of the building, has adopted the procedure. If we go down the route that is to be proposed by my hon. Friend the Member for North Wiltshire, we shall achieve what we want to achieve, which is a solution that is pragmatic, practical and protects the dignity of the House. I urge the House to accept the amendment.

2.37 pm

Kevin Brennan (Cardiff West) (Lab): I support the proposal ably put forward by my right hon. Friend the Member for East Yorkshire (Mr Knight)—and he is my friend. He has recently printed an excellent book, "Dishonourable Insults", in which I appear on page 163, and I thank him for that, too—*[Interruption.]* It is available in all good book shops and I wish him every success. When I intervened on him earlier, I suggested that in addition to his proposals we should ensure that we have wireless reception in the House of Commons Chamber. Not so long ago, when I was trying to live tweet during Prime Minister's questions—I had advertised the fact that I would try to do so in advance—I failed completely because of the poor reception we sometimes get here for electronic devices. I apologise, Mr Deputy Speaker, if, in doing so and in making that admission, I was breaking some rules of the House at the time.

May I clarify one thing? I had a little contretemps in the Chamber earlier this year with the hon. Member for Cambridge (Dr Huppert), who told us with his characteristic modesty that he was the first MP ever to sign up for Twitter—

Dr Huppert *rose—*

Kevin Brennan: I see I have provoked him into intervening, and I cannot say no after I mentioned him, can I?

Dr Huppert: I thank the hon. Gentleman for praising my modesty—that is very kind of him. We did have that discussion, but I think things have moved on. I wanted to be clear in case I misspoke earlier: of the current MPs, I believe I was the first. I was certainly not the first MP on Twitter. I do not know who has that honour, although I am sure they will claim it later.

Kevin Brennan: I am very grateful for the hon. Gentleman's intervention because he has highlighted the fact that what I said about his modesty was meant to be ironic, and *Hansard* does not pick that up very well, so this gives me the opportunity to make that clear. Let me repeat a proposal that I have made in the past—that irony should be put in italics in *Hansard* so that everybody outside reading it can understand what exactly was meant.

The contretemps that the hon. Gentleman and I had was in relation to a point of order that I raised while you were in the Chair, Mr Deputy Speaker. At that time, your ruling was interpreted as a ban on the use of Twitter in the Chamber, but I know, having had subsequent talks with you, that that was not exactly what you meant.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. For clarification, it is not that what I said was not what I meant—it was that people had not listened, I think.

Kevin Brennan: I stand corrected, Mr Deputy Speaker. As ever, what you said was very wise indeed.

Returning to the point about the hon. Member for Cambridge, my point of order related to his use of Twitter in the Chamber during a debate when he was disputing something that was being said from the Dispatch Box by another Member. I think that some very reasonable concerns have been raised by opponents of the motion on how it could impact on the quality of debate. I have always thought that if one has a point of dispute or question about what is being said by someone who has the Floor of the House or other Chamber, one should attempt to intervene before one starts putting out messages disputing what they are saying on Twitter. I think that is the kind of courtesy and common sense that the Chairman and his Committee are calling for in their recommendations.

[Kevin Brennan]

Yesterday, I met a delegation from the central committee school of the Communist party of China, who were very interested in what I had to say about communications and Twitter and the way that MPs use them. If I tell the House that the delegation was somewhat sceptical about my advocating the use of Twitter, hon. Members might understand that I think it is a force for good, for democracy, for free speech and for communication with our constituents, and not a source for bad. I understand the concerns held by many hon. Members on the Government side but I think they might find themselves embracing this means of communication in the near future as a good way of getting their messages about politics and their views out there and of engaging in interactive discussion with their constituents and others.

Robert Halfon (Harlow) (Con): I agree with everything the hon. Gentleman has said. Does he agree that social media such as Twitter and Facebook give MPs the chance to broadcast to their constituents without relying on broadcasters?

Kevin Brennan: I do. Further than that, it can also lead to opportunities to broadcast through the more conventional media. For example, as some hon. Members will know, yesterday in Welsh questions I asked the Welsh Secretary to ask the Prime Minister, when he was sitting next to her, to make sure that the Welsh flag was flying over No. 10 Downing street this weekend, just as the flag of St George flew last year during the World cup, to acknowledge the achievements of the Welsh rugby team. After Prime Minister's questions I was invited on to a phone-in on Radio Wales on which there was a very lively discussion about this proposition. By five o'clock in the evening the Prime Minister had quite rightly agreed that the flag could be flying, and I give him credit for that. So, very quickly, Twitter, conventional media and the use of this Chamber altogether were involved in getting a result for constituents. I think that is a good example of how this technology can be beneficial.

Jo Swinson: Will the hon. Gentleman give way?

Kevin Brennan: I will give way for the last time because I had not intended to take up my full time.

Jo Swinson: I am very grateful. Does the hon. Gentleman agree that although Twitter can certainly be useful for broadcasting, the real value of that kind of interaction is that it is not solely about broadcasting, with MPs sending out messages to constituents, but that it allows two-way communication and can really engage people in the political process?

Kevin Brennan: I just about heard the hon. Lady over the twittering of her colleagues at the Bar. She is absolutely right. I was about to make that point, but I will not do so in the interests of brevity, because she has made it for me.

I wrote an article, alongside the hon. Member for North Wiltshire (Mr Gray), in *Total Politics* magazine a few months ago in which we debated these issues. I think I made it clear in that article that I respect and understand where he is coming from. Like other right hon. and hon. Government Members who have spoken about the issue, he wants to maintain the reputation of the House for the quality of its debates and to ensure that our debates do not descend into a simple parade of read-out speeches. I agree that it would be the death of debate in the House if that happened, but their fears are misplaced.

One can embrace and use such technology and such devices while enlivening and enhancing our debates by bringing in information—yes, from outside, but what is wrong with that? If Ministers can get in-flight refuelling from the officials' box, why cannot Back Benchers get in-flight refuelling electronically during their speeches if a useful fact can be drawn from outside? I see nothing wrong in being able to draw on all the expertise and information that is available from outside the Chamber.

In our exchange of articles, the hon. Gentleman made some very interesting points, but I will end by simply saying that there is nothing new in political communication in trying to get a message across in a pithy, memorable way, as Twitter enables us to do. In fact, I think that it was a certain Winston Churchill who said:

> "Never in the field of human conflict was so much owed by so many to so few."—[*Official Report*, 20 August 1940; Vol. 364, c. 1167.]

If that statement was issued as a tweet, it would leave 66 of the 140 characters available on Twitter still to play with. That goes to show that those who want to fight the onslaught of technology on the beaches will find that the tide is turning against them.

2.46 pm

Mr James Gray (North Wiltshire) (Con): I am grateful to you, Mr Deputy Speaker, for allowing me to speak and to Mr Speaker for selecting the amendment that stands in my name and those of a goodly number of right hon. and hon. Members from across the Chamber. I thank you for allowing a goodly amount of time for this important and useful debate. I do not intend to take up much of the House's time, because a number of useful speeches have addressed most of the important arguments on both sides of the debate.

I very much agree with my right hon. Friend the Member for East Yorkshire (Mr Knight), who started the debate by saying that this is a matter of taste, discretion and delicacy. There are not passionate arguments on either side. One side is not definitely right and the other side definitely wrong. It is a matter of how we handle such machines, what we use them for, what their purpose is and how we ensure that debate in the Chamber is as good as possible.

In fact, as is often the case when we discuss matters that affect ourselves, today's debate on the issue has been among those of the highest quality that I have heard recently. My right hon. Friend's Committee was split on the report; four of us have signed the amendment disagreeing with it. We go from his stance, which is that virtually any electronic device can be used for virtually any purpose either in the Chamber or in Committee, through to that of my right hon. Friend the Member for Saffron Walden (Sir Alan Haselhurst), a former Deputy Speaker—he is by no means a dinosaur in this matter—whose broad view is that such devices should not be used for any purpose whatsoever.

I received a letter from a very senior Member with which I would not necessarily agree. He said that he felt that the rules applying in the House should be precisely the same as those applying at the opera—we should not use such devices at all—and there is some sense in that, although I do not necessarily agree with it.

Chris Bryant: Give us a song!

Mr Gray: I shall not give the House a song; I fear that my voice does not rise to that.

I would not necessarily agree with the hon. Member for Liverpool, Wavertree (Luciana Berger), who focused on the use of electronic devices for Twitter. It is right that I suggested in the e-mail that I sent to all hon. Members that we should probably not use Twitter and blogging, although I will suggest how we might be able to use them. I am not necessarily totally opposed to the notion of twittering.

The main thrust of my amendment, and of my thoughts on the subject—and the thoughts of a great many hon. Members who have spoken to me—is that if we allow unfettered use of electronic devices, three things will happen. The first is that the quality of debate will decline. Let me give an example. Recently, I chaired a Public Bill Committee. Glancing round the room, I saw that some two thirds of the people on the Committee were using electronic devices for one purpose or another. That included the shadow Minister, the Minister, both Whips, and six or eight Back Benchers, one of whom, rather magically, was using two electronic devices simultaneously; how on earth he managed to do that I have simply no idea. It seemed to me that the fine technical point being made about the Pensions Bill—for that was the Bill—was not necessarily being considered carefully by the two thirds of the Committee who were using those machines at that time. Had I challenged members of the Committee to lay out precisely what the person speaking had just said, a very large percentage of them would have looked at me blankly, and would not have had the faintest idea what was going on.

I totally accept the point made by my neighbour, my hon. Friend the Member for Devizes (Claire Perry), that we can all multi-task. Of course we can; there is no question about that. MPs do it all the time. However, I simply do not believe that the finer points of argument in a debate will necessarily be picked up if one is focusing one's mind on something else. The purpose of debate is not just for our own voices to be heard, or to get something on the record; we could do that by handing the speech in, as they do in the United States of America. The purpose of debate is to listen carefully to what the other person is saying, to pick up the other person on fine illogicalities in their speech, to make delicate points, and hopefully to come to some kind of useful conclusion. If a person is focusing on emptying their inbox, surfing the net, tweeting or who knows what else—famously, recently a member of the Italian Parliament was spotted surfing an escort site—while theoretically listening carefully to a debate, they are not taking part in it in the way that they should.

Guto Bebb (Aberconwy) (Con): The crux of the issue has been touched on. In the Welsh Assembly, every Member sits in front of a computer. Earlier this year, the Conservative Assembly Member for North Wales, Brynle Williams, passed away at a very young age. A Labour Member, paying tribute to him on the radio, said, "When Brynle Williams spoke in the Chamber, we stopped working on our computers and listened." Is that not the crux of the issue?

Mr Gray: My hon. Friend makes an extremely good point, and it is useful to hear of his experience of the Welsh Assembly, where such changes have been made. Elsewhere around the world, there are examples of all kinds of Parliaments where people use the devices excessively and so are not taking proper part in the debate. *[Interruption.]* I am being passed a message—on paper—from the Whip, which reminds me to move my amendment; I shall indeed do so. I am most grateful to her; had she passed me that electronically, I would not have got it.

I beg move amendment (a) to motion 1, leave out from 'used in the Chamber' to end and add—

'to a minimal extent, silently and with decorum, to receive and send urgent messages, as a substitute for paper speaking notes and to refer to documents for use in debates, but not for any other purpose.'.

That useful intervention from my hon. Friend the Whip leads me to the second reason why I feel uneasy about unfettered use of electronic devices. Whereas at the moment outside interests—including, dare I say it, the Whips Office—may have some influence over what we do or say, or how we vote in this place, by and large they have to exercise that influence in writing, prior to the debate. It would be particularly unhelpful if, during a speech or debate, outside interests—lobbyists, businesses and groups of all kinds—got in touch with us on our electronic devices and said, "I think you should ask the Minister such and such a question, because that is a weak point in their argument," or "I think you should do this or that." We should be listening carefully to the logic of the other person's speech, and seeking to counter that argument not because a lobbying company or the Whips have asked us to do so, but because it is what we want to do.

Mr David Nuttall (Bury North) (Con): Does my hon. Friend not accept that that is possible under the rules as they stand? It is perfectly possible right now, under the rules of the House, for someone to receive a message and check it in debate.

Mr Gray: My hon. Friend is absolutely right, and if that were to happen, I would decry it. The purpose of my amendment is to say that electronic devices should be used for the purposes of the matter under debate and no other purpose. If the Chamber was seen to be full of people blogging, tweeting and surfing the net, it would risk bringing the Chamber into disrepute.

Zac Goldsmith: Does my hon. Friend not agree that one of the reasons MPs exist is so that people can lobby them with a view to influencing Parliament?

Mr Gray: My hon. Friend is absolutely right. Of course, I was a professional lobbyist for a number of years and so have no difficulty with that whatever. It is of course right that all sorts of interest groups around

[Mr Gray]

the world, from journalists to lobby groups, should be able to make their views known to us, but I am not certain about the propriety of a lobby group, the Whips or anyone else getting in touch with us during the course of a debate or a Select Committee evidence session to say, "Here's an interesting point you ought to raise." Would it really be right for outside interest groups to get in touch with us via electronic devices during Select Committee cross-examinations, for example of the Murdochs, and say, "Here's something you ought to say"? I think that that would be an unreasonable intervention in our internal debates by outside influences.

Chris Bryant: Will the hon. Gentleman give way?

Mr Gray: I will give way, but first I should say that I am absolutely sure that what the hon. Gentleman said during the Select Committee cross-examination of the Murdochs was entirely his own idea, irrespective of what outside influences might have said to him.

Chris Bryant: Well, I was not a member of that Committee, but that is just one minor factual inaccuracy of several that we are passing by. The point I was going to make is that one of the oldest rights of members of the public and constituents is the right to come to the Lobby and demand that we come out of a debate to listen to their point of view, so I do not see the difference.

Mr Gray: The difference is extremely simple. Someone outside communicating via an electronic device during a debate is not equivalent to a member of the public coming to Central Lobby, filling in a green form and asking to speak to us; it is equivalent to a member of the public coming into the Chamber and saying, "Would the hon. Gentleman please ask this question?", which I do not believe is right. We should be debating among ourselves and not excessively involving people outside.

Most people agree that excessive use of electronic devices is not a good thing. Two or three objections have been raised with me. The first relates to the fact that we must all sit here for six or seven hours before finally being called to speak. That could be corrected in two ways: first, Members could take a greater interest in the debate; and secondly, we could perhaps move to the system enjoyed at the other end of the Palace, where peers have some indication of when they will speak. You, Mr Deputy Speaker, and your colleagues tend to indicate when Members will be called to speak, but the notion that we should sit here clearing our inboxes or writing articles on electronic devices for local newspapers because we are a little bored and cannot be bothered to listen to a debate seems a thin argument.

Gavin Shuker (Luton South) (Lab/Co-op): The hon. Gentleman makes his case powerfully, although I do not necessarily agree with it. Is not the key issue that Members can best engage in debate by being in the Chamber? If we are outside doing the work of clearing inboxes, the example he raised, we cannot be present listening to the arguments. I agree that Members should be present in the Chamber more often, but I believe that his amendment would prevent that.

Mr Gray: On the contrary, my amendment encourages Members to make use of their electronic devices in the Chamber for purposes connected with the debate. That is the important point about the amendment.

The last main objections that have been raised concern the fact that the amendment's proposals would be very difficult to police. You, Mr Deputy Speaker, sent out a letter in July stating that although any such ban on the use of hand-held devices would be difficult to police, it would none the less be down to the individual discretion and decency of hon. Members not to use them. There are all kinds of conventions and rules in this place that we observe. They do not have to be written down or policed. The fact of the matter is that there are things that we agree to do, and I believe that the amendment's proposal should be one of them.

If we allow the Procedure Committee's report to be agreed as printed, we will end up with a Chamber full of Members staring at their electronic devices—I can see three or four doing so now. I suspect that those looking in from outside, whether from the Public Gallery or on television screens, would say, "What are those people doing? We used to object to the Chamber being too empty. It has filled up a little, but look at them all playing with their electronic devices." I think that it brings the whole nature of debate in this place into some disrepute. I would like to see the standard of debate maintained. We are the mother of Parliaments. Let us engage with each other in detailed and logical debate and not spend an excessive amount of time on our electronic devices.

2.59 pm

Angela Smith (Penistone and Stocksbridge) (Lab): With the leave of the House, I should like to put on record my tribute to the work of my predecessor, my hon. Friend the Member for Warrington North (Helen Jones), who discharged her duties in the House assiduously and will be a very hard act to follow.

We on the Opposition Front Bench support the motion on explanatory statements put forward by the Chair of the Procedure Committee, the right hon. Member for East Yorkshire (Mr Knight). The Committee's recommendation marks progress from a position already established, and as I understand it, Government Front Benchers have also adopted the recommendation, so I hope that it receives support from all parts of the House today.

We also support the sensible recommendation on written parliamentary questions, because there are alternatives to electronically tabled written questions, and if implemented the recommendation will not curtail the opportunities for Members to table written questions, as is their right.

We do, however, believe that the motion on a Select Committee's right to table amendments to legislation should be sent back to the Procedure Committee for further consideration, as it has not been thoroughly thought out.

Sir Alan Beith: That recommendation was introduced by the Joint Committee on Human Rights in the previous Session; it was carefully considered by the Liaison Committee; and it has now been carefully considered and substantially modified by the Procedure Committee in order to meet those concerns. Do we have another case of the two Front-Bench teams conniving to stop Select Committees and Back Benchers having rights in this House?

Angela Smith: Perish the thought.

My point is that, if we give Select Committees the right to table amendments to legislation, business relating to the Floor of the House and Public Bill Committees, will it not create the danger of Select Committees taking a much less consensual approach to their work? That is the real risk with the recommendation, and for that reason it should go back for further consideration.

I turn to the recommendation on hand-held devices. I do not need to repeat the background to the debate which goes back to the decision in 2007, because the right hon. Member for East Yorkshire outlined it very clearly. Suffice it to say that technology has moved things forward at a rapid pace—to the extent that we now have smartphones, iPads and other tablets, which have completely transformed the way in which Members conduct their business.

On top of that, we have new forms of communication. According to the Procedure Committee's report, 225 Members tweet or have Twitter accounts, but in today's debate we have heard my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) state that the figure now stands at 300. That demonstrates how over a six-month period 75 Members have signed up for Twitter accounts. It also shows the popularity of the device as a means of communication, and for that reason alone Members increasingly see new forms of communication such as Twitter as making it easier for us to open up a dialogue with the world outside—with the people we serve. Those new forms of communication and technology have called into question once again how we conduct our business in the Chamber.

I was elected in 2005. At that point, I never thought that I would be standing here on the Front Bench making arguments about smartphones, iPads and Twitter accounts, but that in itself demonstrates how quickly the world is moving forward and how difficult it is for the House to keep up. It would be all too easy to step backwards and pretend that the world has not changed. We could pretend that Steve Jobs never existed and say to ourselves that the business of the House should stay true to the days of paper, pen and ink. However, to do that would be to deny reality and to deny the dynamic relationship that now exists between Parliament and the world outside. Even if we deny it, the media, quite rightly, will not. We cannot, therefore, fulfil our obligations as legislators effectively if we pretend that the world outside has not got smaller and smaller in terms of how quickly news travels.

There are advantages and disadvantages in allowing a more relaxed approach to the use of hand-held devices by Members on the Floor of the House and in Committee, for it is undoubtedly the case that members of the public sometimes object to seeing Members of this House using their phones or their iPads while here in the Chamber. If the Chair of the Administration Committee were in his place, I am sure that he would testify to that fact.

Robert Halfon: I very much welcome the hon. Lady's remarks. While it is true that some members of the public object, it is also true that many of them like the fact that their MPs are on Twitter and on Facebook communicating what they are doing. Does she agree that that has come about partly because of the huge shift from paper to electronic mail and in how our constituents communicate with us?

Angela Smith: I thank the hon. Gentleman for his intervention. That is absolutely the argument that I am trying to make.

Although such behaviour is seen by some members of the public as discourteous and indicative of a lack of attention to the business of the House, and although on occasion that has proved to be true, and excessive and obtrusive use of such devices should be deplored, I would contest that excessive chatter and private conversations on the part of Members is equally to be deplored, and that it is those who persist in that kind of behaviour who bring the business of this House into disrepute. I also agree with my hon. Friend the Member for Liverpool, Wavertree, who pointed out that Members who fall asleep in the Chamber while business is being discussed are most to be censured for discourteous behaviour. Indeed, it has been known on occasion even for Front Benchers to fall asleep or to snooze while the business of the House is ongoing.

We need to be pragmatic in our approach. Those who would continue a stricter approach to the use of hand-held devices in the Chamber on the grounds that it constitutes interference in parliamentary proceedings ought to bear in mind that we already allow the passing of messages and envelopes containing paper-based documents in and out of the Chamber for use in debate. On that basis, why cannot we allow the electronic transfer of such information for use in the Chamber? If a Member is given statistics relating to a debate via documents passed to her or him in an envelope brought to the Chamber by a member of his or her staff, then why should not that be done independently by the MP in the Chamber using an electronic device? Moreover, as the right hon. Member for East Yorkshire said, given that civil servants pass a fairly constant stream of notes to the Government Front Bench during debate, why should not other Members of the House be able to access information speedily and without delay?

We support the motion laid before the House by the right hon. Member for East Yorkshire and other Members, and we commend the Procedure Committee for its work. We believe that it represents a pragmatic response to the challenges raised by the development of new technology and means of communication in that it requires Members to be sensible and discreet about their use of electronic devices in this Chamber and elsewhere. We also support the recommendations in the Select Committee report relating to Twitter and to tweeting, which are, again, sensible and pragmatic. As someone who has a Twitter account—and who is about to get her 1,000th follower—but who does not generally tweet in this Chamber, I nevertheless uphold the right to do so and the inevitable pragmatic need to give way on that point.

Our view is that we should give the approach recommended by the Procedure Committee an opportunity to work. We should bear it in mind that it is always possible to review the decision if it is felt that the recommended way forward is not working.

Tony Baldry (Banbury) (Con): On a point of order, Mr Deputy Speaker. I hope that this is a point of order; I am still somewhat feeling my way in this place. There is another debate this afternoon, which was brought about by the Backbench Business Committee as a consequence of one of the first e-petitions. I might be wrong, but I understand that this debate can carry on until any hour. Judging by the number of colleagues who are standing to speak, it looks as though the second debate will get less time than a Westminster Hall debate. If that is the case and the second debate gets squeezed out, I hope that the Leader of the House, who is in his place, will consider giving it injury time at some point because it is an important debate that affects the constituents of a large number of Members.

The Leader of the House of Commons (Sir George Young): Further to that point of order, Mr Deputy Speaker. The Leader of the House tried to protect the debate in which my hon. Friend has an interest by tabling a motion last night. Sadly, that was blocked by a member of the Backbench Business Committee.

Mr Deputy Speaker (Mr Lindsay Hoyle): I am very concerned about the time that this debate is taking. I will reduce the time limit on speeches and hopefully, if we have some brevity, we will get to the second debate. The high speed debate is important to this House and people will not understand why we are spending so much time on ourselves and our use of hand-held devices. As important as this is, we need to make progress as quickly as possible.

3.11 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): High-speed debates sound like a very good idea, Mr Deputy Speaker.

As I did not get to warmly welcome the hon. Member for Penistone and Stocksbridge (Angela Smith) to her new responsibilities in our cameo appearances last night, may I do so now? I echo what she said about her predecessor, the hon. Member for Warrington North (Helen Jones), with whom I always enjoyed debating. I wish her well in her new responsibilities.

I congratulate the Chairman of the Procedure Committee on securing this debate on his Committee's proposals. The one area in which I disagree with him is on whether this debate should be held in Backbench Business Committee time. The Government have implemented the Wright Committee's report, which was explicit on this matter. We hold to the position that the House should follow what the Wright Committee said on this matter. It is therefore the responsibility of the Backbench Business Committee.

I welcome the opportunity to set out the Government's position on the motions, which I will take in order. The first motion on electronic devices is very much a House of Commons matter. Perhaps I should indicate that my right hon. Friend the Leader of the House and I will support the motion, although some ministerial colleagues may hold other views.

Changes in technology have been swift and the Procedure Committee has taken a sensible approach in seeking to update the 2007 resolution in a way that might not need constant updating as technologies change. The Committee helpfully demonstrates how its proposed change is in line with trends in other legislatures. The concept of not impairing decorum that has been adopted by the US House of Representatives is helpful. I am sure that Mr Speaker will decide, with characteristic wisdom, how this resolution will be interpreted in practice, just as he has provided general guidance about appropriate conduct in the Chamber.

I support the comparable changes for Committees, although I have one reservation in that respect, to which the Procedure Committee has referred. Tweeting about an ongoing evidence session would be discourteous and disclosing deliberations in that way could be a breach of privilege. That is an important reservation to enter at this point.

There is no Government position on the amendment tabled by the hon. Member for North Wiltshire (Mr Gray) and others, although enforcement of the resolution, if amended in that way, might pose significant challenges for the occupant of the Chair.

I noticed that in opposing the amendment the right hon. Member for East Yorkshire (Mr Knight) asked why Members should not receive facts while they are preparing to speak. The explanation, perhaps, is that facts would entirely demolish the speeches of some hon. Members. Of course, just because a Member has received a fact does not mean that they have to take any notice of it.

The second motion, on Select Committee amendments, is where the Government part company with the Procedure Committee, because we do not believe that the case for the change has been made. We are continuing the position of the previous Government, which I believe is still that of the hon. Member for Penistone and Stocksbridge and the Opposition. Interestingly, that position was expressed at the time by the hon. Member for Rhondda (Chris Bryant). I am not sure whether he still takes that view.

Currently, amendments are tabled in the name of a Member of the House—it does not matter whether they are tabled by the Government, the official Opposition or anybody else. The Procedure Committee argues that if an amendment appears simply in the names of members of a Select Committee, other Members may not realise its status, but I am not convinced by that.

The Government have taken a number of steps to strengthen the Select Committee system—arguably more than any Government since that of 1979, under whom departmental Select Committees were established. We have enabled the House to take the bold step of electing Select Committee Chairs, and the profile of the Select Committee system continues to increase. I believe that an amendment in the name of members of a Select Committee will almost invariably be recognised as such by the House without the need for additional steps.

Sir Alan Beith: I am very surprised to find myself in disagreement with my hon. Friend on a House matter, because we very rarely disagree on them. However, a Select Committee amendment would have had to be approved unanimously by it. Is his real fear not that of the Whips Office—that on just one or two more occasions an amendment that was not moved by a Minister might be selected by the Chair and be debated in the House? Is he not simply echoing the traditional Front-Bench view that anything that allows Back Benchers to get anywhere near getting amendments selected is far too dangerous to be permitted?

Mr Heath: It is extremely rare that I disagree with my right hon. Friend, but I do on this matter. The selection of amendments is, of course, a matter for the Chair, and if the Chair feels that a Select Committee's members are proposing an amendment that needs to be debated, it will be selected. However, it is a serious concern that under the Procedure Committee's proposal three members of a Select Committee, who would form a quorum, could obtain a Committee's imprimatur for an amendment. That amendment would attribute to all members of the Committee a position that was held only by those present at a meeting. I do not think that that does the House a service.

Sir Alan Beith: I want to make a further correction, because I do not want to delay the debate any further by making a speech—I want the rail debate to go ahead.

My hon. Friend must recognise that any member of a Committee who felt dissatisfied with an amendment tabled in the name of their Committee, their having been notified of a meeting but not gone to it, would make that abundantly clear. Indeed, the hon. Member for North Wiltshire (Mr Gray) made it clear at the beginning of the debate that he did not support the motion moved by the right hon. Member for East Yorkshire (Mr Knight).

Mr Heath: I am sure an hon. Member in that position would make their dissatisfaction abundantly clear, but equally it does not seem beyond the bound of reason that a Chair of a Select Committee could make it abundantly clear that he or she was presenting an amendment in the name of the Committee. The same arguments apply, and I am not persuaded by my right hon. Friend, which is why my ministerial colleagues and I will vote against the motion.

I turn to the third motion, on explanatory statements on amendments, and the remarks of the hon. Member for Brighton, Pavilion (Caroline Lucas). The crux of what she said was that the Government were being unreasonably obstructive and unhelpful in their approach. However, my right hon. Friend the Leader of the House is quoted in the Committee's report as having said:

> "I would certainly not oppose the continuation of explanatory statements".

The report also quotes my comment:

> "I am certainly happy, as far as the Government are concerned, for that experiment to proceed."—[*Official Report*, 3 February 2011; Vol. 522, c. 384WH.]

It might be said that the barriers that we have sought to erect to prevent it from happening are rather low indeed. I repeat today the Government's position that we will support the recommendation. However, it is important that we express caveats for the benefit of the House.

Caroline Lucas: The hon. Gentleman said that the agreement was on the voluntary introduction of explanatory statements, but we are driving towards something mandatory. In his response to the Committee's report, words such as "significant burden", "lukewarm support", "inconclusive" and "disappointing" strongly suggest that the Government are not firmly behind our proposal.

Mr Heath: The lukewarm response was not from the Government—this Government and previous Governments have been happy to table explanatory amendments—but from other Members who showed not the slightest inclination to do so. That is the concern.

Let us go back to the origins. The experiment with explanatory statements on amendments was first proposed by the Modernisation Committee, under the chairmanship of the right hon. Member for Blackburn (Mr Straw), in its 2006 report on the legislative process. The Committee envisaged that the main benefit would be helping Ministers and civil servants to understand the intention behind Back-Bench and Opposition amendments, so that the Minister was prepared to address the issues that the Member wanted to debate and to respond to the queries or concerns being raised. They were envisaged as a vehicle for Back Benchers to explain their amendments, rather than for the Government to explain their amendments, for which there are many other mechanisms. Despite that, and although the Government have participated fully in each pilot, the take-up by Back Benchers has been low and has declined since the first pilot.

We have to acknowledge the resource implications. The Procedure Committee was told in the previous Parliament that the general application of explanatory notes to all Committee papers would cost the House services alone more than £100,000, and the costs would be greater still if applied on Report. That takes no account of the staff resource implications for the House services and the Government. The Government agreed to provide explanatory notes to all amendments in previous pilot schemes, and the Procedure Committee envisaged a mandatory requirement for Government amendments on Report. At the same time, however, the Committee rejected imposing such a requirement on others. I take it from what the hon. Member for Brighton, Pavilion said that she would like that to apply mandatorily to others. There is some justification for that, but there is little justification for the current asymmetrical approach.

If the motion is agreed to, my right hon. Friend the Leader of the House will write to the Procedure Committee with proposals for the pilot. This is the last chance to show that the voluntary approach for everyone other than the Government could work as originally envisaged by the Modernisation Committee. We will want the experiment to demonstrate clear value-for-money benefits to the House, and if it does not, we might decline to support any further proposals along the same lines.

I support the final motion on written parliamentary questions. Again, the proposal is for a pilot scheme involving an earlier cut-off point for electronically tabled questions and a daily quota of five written questions that could be so tabled for an experimental period of three months. The right to table questions belongs to hon. Members and hon. Members alone. If the experiment encourages Members to take a closer interest in questions prepared by their staff, that would surely be a good thing. The average cost to the taxpayer of tabling a question is £239. Although overall quotas are not proposed, I am sure that hon. Members will wish to be mindful of the costs of what they do. We are keen to ensure that all written questions receive timely, substantive answers. If the pilot leads to "fewer, better questions", as the Procedure Committee hopes, I would hope also to see quicker, better answers. We will provide the statistics on the timeliness of answers in the current Session on the timetable requested by the Procedure Committee.

[Mr Heath]

To end where I began—on the theme of technological change—I can confirm that the Government are keen to work closely with the House authorities to take forward proposals for the electronic distribution of answers, which would benefit all Members.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): I am reducing the time limit on speeches to five minutes.

3.24 pm

Chris Bryant (Rhondda) (Lab): Much of the debate on the use of hand-held devices—I note, Mr Deputy Speaker, that you called them "held-hand devices" when introducing the debate, but I am not sure what such a device might look like—reminds me of the Russian Orthodox Church, which in November 1917, while the revolution was gathering around it, spent its time debating whether to wear black or purple vestments for funerals. The honest truth is that the horse has bolted.

We can see them all round the Chamber: @ZacGoldsmith, @CarolineLucas, @lucianaberger, @SteveBakerMP and, of course, the brilliantly named @claire4devizes. All tweet regularly—*[Interruption.]* There is also @stellacreasy and many other Members.

Steve Baker *rose—*

Chris Bryant: I give way to @SteveBakerMP.

Steve Baker: Even though I was named in January as the most influential MP on Twitter—ahead, even, of the hon. Gentleman—I am most concerned that we should get on to the next business before I am flayed alive by my constituents.

Chris Bryant: I understand, because the hon. Gentleman is the Member for Wycombe, and I know how such issues affect people there, but if he had not intervened, we would get on to the next business faster.

I want to correct a couple of points made by the hon. Member for North Wiltshire (Mr Gray). He seemed to think that I was on the Select Committee on Culture, Media and Sport. I should point out that I am not @tom_watson. There are a few differences between us, although we are often seen together.

I should also say that although he has been much misquoted, John Bright, the Liberal Member of Parliament, did not say that we—the House of Commons—were the mother of Parliaments; he said that England is the mother of Parliaments. That is because he believed—this is an important point—that we had to be transformed as history is transformed. I would say that Parliament has always been bad at opening itself up to the public. Indeed, in 1376 we first decided that we would take an oath of secrecy to ensure that nobody outside this place knew what was going on here. It took many centuries to get rid of that oath of secrecy, which was why John Wilkes ended up being expelled from the House of Commons on four occasions and had to be re-elected before eventually being allowed to publish what went on this House.

It is not a question of being dinosaurs or anything else; it is about opening Parliament up to the wider world around us, so that people can understand everything that goes on here. It is not for our convenience, but for our constituents' convenience. The world has changed. When I was first elected in 2001, the vast majority of my constituents got in touch with me by coming to a constituency surgery. Now the vast majority get in touch by Facebook, Twitter, e-mail and, sometimes, text messages. We should make that more possible for our constituents, not more difficult.

Incidentally, I wholeheartedly agree with @KevinBrennanMP, who said earlier that proper wi-fi should be available in the Chamber so that people can engage properly. I disagree with the hon. Member for North Wiltshire that only urgent messages should be dealt with. Who on earth will decide what an urgent message is? It is my constituents who should decide what an urgent message is.

Mr Gray *rose—*

Chris Bryant: If the hon. Gentleman does not mind, I will not give way, because others want to get on to the next debate.

I have this picture in my mind of the Speaker going over to an hon. Member and demanding to see their last tweet or this place setting up "Oftwit" to ensure that Members are behaving properly. The hon. Member for North Wiltshire has only to listen toour constituents to find out what they are moreinterested in.

Members have said how inappropriate it would be if facts were brought to bear in debate, but that is what the officials Box is there for. *[Interruption.]* I see them smiling. Perhaps we should abolish the officials Box, so that Ministers have to rely on their own wit and intelligence. Would it not also be good if "Erskine May" was available online so that people could refer to it in the Chamber instead of having to buy a copy for several hundred pounds?

I want to respond to a couple of points that the hon. Member for Brighton, Pavilion (Caroline Lucas) made. She is absolutely sincere in wanting to make our business more intelligible to people. However, I would like to know how explanatory notes to amendments would stand legally if an amendment were carried. There is a danger in proceeding down that route. In addition, I would have thought that the whole point of a debate on an amendment was to decide what it meant and what it did; just accepting at face value what the hon. Member who tabled it had said would not assist.

Caroline Lucas *rose—*

Chris Bryant: I shall not give way, because I want to be circumspect.

Finally, I look forward to the day when we have on Twitter @RogerGaleMP—and, for that matter, @15thcenturyMP, or perhaps he would be called @JacobReesMoggMP. I should also point out to the right hon. Member for Bermondsey and Old Southwark (Simon Hughes), who is not in his place, that one of his constituents has begged me on Twitter this afternoon to ask him to reinstate his Twitter account so that his constituents can get in touch with him better.

The Parliamentary Secretary to the Treasury (Mr Patrick McLoughlin) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Question put accordingly, That the amendment be made.

The House divided: Ayes 63, Noes 206.

Division No. 366] **[3.30 pm**

AYES

Aldous, Peter
Amess, Mr David
Bebb, Guto
Bell, Sir Stuart
Brady, Mr Graham
Brine, Mr Steve
Buckland, Mr Robert
Burns, Conor
Cairns, Alun
Campbell, Mr Alan
Clark, Katy
Corbyn, Jeremy
Davidson, Mr Ian
Davies, Philip
de Bois, Nick
Docherty, Thomas
Dunne, Mr Philip
Eustice, George
Fallon, Michael
Francois, rh Mr Mark
Freeman, George
Fuller, Richard
Goodman, Helen
Goodwill, Mr Robert
Gray, Mr James
Hamilton, Mr David
Hart, Simon
Henderson, Gordon
Hendrick, Mark
Hinds, Damian
Hollobone, Mr Philip
Hopkins, Kelvin
Hughes, rh Simon
Jackson, Mr Stewart
Jones, Mr Kevan
Jones, Mr Marcus
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Lewis, Dr Julian
Llwyd, rh Mr Elfyn
Main, Mrs Anne
Maynard, Paul
Pincher, Christopher
Reevell, Simon
Rifkind, rh Sir Malcolm
Rosindell, Andrew
Ruffley, Mr David
Russell, Bob
Selous, Andrew
Sharma, Alok
Sheridan, Jim
Skinner, Mr Dennis
Soubry, Anna
Stewart, Iain
Swales, Ian
Swayne, rh Mr Desmond
Syms, Mr Robert
Turner, Mr Andrew
Tyrie, Mr Andrew
Watkinson, Angela
Whittingdale, Mr John
Williamson, Gavin
Wilson, Sammy
Wood, Mike

Tellers for the Ayes:
Mr Charles Walker and
Mr Roger Gale

NOES

Adams, Nigel
Afriyie, Adam
Andrew, Stuart
Ashworth, Jonathan
Bain, Mr William
Baker, Steve
Baldry, Tony
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bayley, Hugh
Beith, rh Sir Alan
Bellingham, Mr Henry
Benn, rh Hilary
Benyon, Richard
Berger, Luciana
Betts, Mr Clive
Binley, Mr Brian
Birtwistle, Gordon
Blenkinsop, Tom
Blunt, Mr Crispin
Boles, Nick
Bottomley, Sir Peter
Bradley, Karen
Brake, rh Tom
Bray, Angie
Bruce, Fiona
Bruce, rh Malcolm
Bryant, Chris
Burden, Richard
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burt, Alistair
Byles, Dan
Chishti, Rehman
Clark, rh Greg
Coffey, Dr Thérèse
Colvile, Oliver
Connarty, Michael
Creasy, Stella
Crockart, Mike
Crouch, Tracey
Cunningham, Alex
Dakin, Nic
Davey, Mr Edward
David, Mr Wayne
Davies, David T. C.
(Monmouth)
Dinenage, Caroline
Djanogly, Mr Jonathan
Dobson, rh Frank
Dowd, Jim
Duddridge, James
Ellison, Jane
Elphicke, Charlie
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Featherstone, Lynne
Field, Mr Mark
Fovargue, Yvonne
Freer, Mike
Gardiner, Barry
Garnier, Mark
Gauke, Mr David
George, Andrew
Gilbert, Stephen
Glass, Pat
Glen, John
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goldsmith, Zac
Graham, Richard
Greatrex, Tom
Green, Damian
Green, Kate
Greenwood, Lilian
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Heath, Mr David
Hemming, John
Hilling, Julie
Hodge, rh Margaret
Hollingbery, George
Hopkins, Kelvin
Hopkins, Kris
Howell, John
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
James, Margot
Jenkin, Mr Bernard
Johnson, Joseph
Jones, Mr David
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Lazarowicz, Mark
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Tony
Lord, Jonathan
Lucas, Caroline
Luff, Peter
Lumley, Karen
Macleod, Mary
MacShane, rh Mr Denis
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McLoughlin, rh Mr Patrick
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Michael, rh Alun
Miller, Andrew
Miller, Maria
Morgan, Nicky
Mosley, Stephen
Mowat, David
Mundell, rh David
Murray, Ian
Murrison, Dr Andrew
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Offord, Mr Matthew
Onwurah, Chi
Paisley, Ian
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pugh, John
Raab, Mr Dominic
Rees-Mogg, Jacob
Reid, Mr Alan
Reynolds, Jonathan
Robinson, Mr Geoffrey
Rutley, David
Sandys, Laura
Scott, Mr Lee
Seabeck, Alison
Shapps, rh Grant
Shuker, Gavin
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Nick
Smith, Sir Robert
Spellar, rh Mr John
Stewart, Bob
Stride, Mel
Stringer, Graham
Stuart, Mr Graham
Swinson, Jo
Swire, rh Mr Hugo
Teather, Sarah
Thomas, Mr Gareth
Timms, rh Stephen
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka

Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Walter, Mr Robert
Watts, Mr Dave
Weatherley, Mike
Weir, Mr Mike
Wharton, James
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Stephen
Williamson, Chris
Willott, Jenny
Wilson, Phil
Winterton, rh Ms Rosie
Wollaston, Dr Sarah
Woodcock, John
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr David Nuttall and
Kevin Brennan

Question accordingly negatived.

Main Question put and agreed to.

Resolved,

That this House notes the Third Report from the Procedure Committee on Use of hand-held electronic devices in the Chamber and committees, HC 889; and resolves that hand-held devices (not laptops) may be used in the Chamber, provided that they are silent, and used in a way that does not impair decorum, that Members making speeches in the Chamber or in committee may refer to electronic devices in place of paper speaking notes and that electronic devices, including laptops, may be used silently in committee meetings, including select committees.

Madam Deputy Speaker (Dawn Primarolo): I understand that the motion on Select Committee amendments will not be moved.

EXPLANATORY STATEMENTS ON AMENDMENTS TO BILLS

Resolved,

That this House notes the recommendations relating to explanatory statements on amendments to bills contained in paragraphs 31 and 32 of the Second Report from the Procedure Committee on Improving the effectiveness of parliamentary scrutiny, HC 800; and invites the Leader of the House and the Procedure Committee to put in place a pilot scheme to implement these proposals in respect of one or more bills before the end of the next session.—(*Mr Knight.*)

WRITTEN PARLIAMENTARY QUESTIONS

Resolved,

That this House approves the recommendations relating to written parliamentary questions contained in paragraphs 50 and 51 of the Second Report from the Procedure Committee on Improving the effectiveness of parliamentary scrutiny, HC 800.—(*Mr Knight.*)

High Speed 2

3.43 pm

Andrea Leadsom (South Northamptonshire) (Con): I beg to move,

That this House has considered the matter of High Speed 2.

I am delighted to have the opportunity to open the debate, and I am particularly grateful to all the Members—in all parts of the House and on all sides of the debate—who have turned up to participate. It is an incredibly important debate, because it involves £32 billion of taxpayers' money. I am delighted to see that my right hon. Friend the Secretary of State for Transport is not present, because, being an eternal optimist, I believe that he is delaying his decision until December—as he certainly should—and is keen to listen to the debate as it progresses. I know that not just you, Mr Speaker, but many right hon. and hon. Members have taken a great interest in this subject. Let me mention in particular my hon. Friends the Members for Lichfield (Michael Fabricant) and for Kenilworth and Southam (Jeremy Wright).

It is fashionable for those who oppose HS2 to be dismissed as nimbys. Let me make it clear that I am here today not just as a concerned constituency MP but as someone with 25 years of experience in finance, including project finance, and that I am determined to defend the taxpayer against what I consider to be an unjustifiable and eye-wateringly expensive project. If the route went from Truro to Paddington, or from Leeds to Edinburgh, I would still be here today defending the taxpayer.

When I first heard about HS2 I thought it was a superb idea, but 18 months later all the proposed benefits have fallen away one by one, and there is no hard evidence that spending £32 billion can truly be justified. For instance, there is no evidence that this project will solve the north-south divide. In fact, there is plenty of evidence from the experience in France and Germany, and from our own HS1, that high-speed trains can suck development out of the regions and into the major cities.

I also have an intuitive concern about the point-to-point nature of the project. The north is not a place; it is a region. Those close to the terminals will benefit of course, but it is unclear how people outside those areas can directly benefit. I recently spoke to my former constituency chairman in the Knowsley South seat, which I contested in 2005, and his view is that Knowsley South will end up paying its share of the cost of this project but will get little, if any, benefit.

Paul Maynard (Blackpool North and Cleveleys) (Con): The north is not a region. It is made up of three regions—the north-west, Yorkshire and Humber and the north-east—all of which have their own identities, which I hope my hon. Friend will respect.

Andrea Leadsom: I thank my hon. Friend for making that point, and I certainly do respect the right of people in the north to economic regeneration. I am speaking as much for them as I am for people in Cornwall and the Isle of Wight when I say that £32 billion spent on this project is the wrong use of taxpayers' money.

Several hon. Members *rose*—

Andrea Leadsom: I would like to make some progress, if I may.

There is no hard evidence that this project will reduce unemployment in the north. HS2's own estimate of 30,000 new jobs—

Stephen Hammond (Wimbledon) (Con): The estimate is 40,000.

Andrea Leadsom: The figure is 40,000, my hon. Friend says from a sedentary position, but some 73% of those jobs will be generated in and around London, not in the north. Moreover, every one of those jobs will be associated with £300,000 in costs, which is about five times more than the cost of job creation in other infrastructure projects.

Several hon. Members *rose—*

Andrea Leadsom: I want to make one further point before giving way again.

On HS2's green credentials, HS2 itself admits that at best the project is carbon neutral. That leaves me pondering whether £32 billion of taxpayers' money spent on a project that essentially only cures the capacity problems on the west coast main line is good value for money. It blatantly is not. I am not alone in thinking that. Organisations including the RAC Foundation, the Institute of Economic Affairs and the TaxPayers Alliance seriously challenge the business case for HS2.

Angela Smith (Penistone and Stocksbridge) (Lab): London's Crossrail was given the go-ahead by this House on a consensual basis. Surely what is good enough for London is good enough for the rest of the country?

Andrea Leadsom: I am glad the hon. Lady raises that point, because it is ludicrous nonsense. Anybody who has any knowledge whatever of assessing such projects and making sure they offer value for money would say it is nonsense. This is not our money; it is the taxpayers' money and it belongs to the country. We should not spend money on HS2 on the grounds that we did so for Crossrail. That is just nonsense.

Several hon. Members *rose—*

Andrea Leadsom: I want to make a little more progress, if I may.

I hear arguments that lots of other countries have high-speed rail so we need it to be able to keep up and compete with them, but the truth is that France, Germany and China are very different from our country. They each have a far greater land mass and much longer distances between cities. Furthermore, their high-speed railways follow existing transport corridors, and their non-high speed trains are extremely slow, unlike our existing inter-city trains, which are technically high-speed, with a top speed of 125 mph.

I also hear arguments that we should replicate the fabulous experiment with HS1. Yet a wealth of evidence suggests that commuter services running parallel to the HS1 link have become more expensive, have far more stops and far fewer trains running along the line, in order to subsidise HS1. Even the chief engineer of HS2 Ltd told me that, as a Kent commuter, he has had to get used to more expensive train fares in order to subsidise those using the HS1 service.

If all else fails, we hear that killer argument, "This is about a vision for Britain. This is like the great Victorian railways. It is like the fabulous post second world war motorways." I am sorry, but I just do not buy that argument. The Victorian railways were largely privately funded The motorways are fabulous, but they have benefited every town and village in this country, because they have junctions every few miles. By contrast, every family in Britain will pay £1,000 for HS2 but 99% of people in this country will use the service less than once a year, and the wealthiest will use it four times more often than the poorest. That is a massive skewing of scarce resources.

Mark Garnier (Wyre Forest) (Con): Does my hon. Friend agree that although £32 billion is a great deal to spend on an infrastructure project, it is probably a welcome sum to spend on the supply side of our economy? Does she further agree, however, that it could be better spent on more local projects, such as the Stourport relief road in Kidderminster?

Andrea Leadsom: My hon. Friend makes a good point, and we could have a fabulous relief road for £32 billion. He makes the serious point that there is a huge opportunity cost to spending this amount of money on HS2.

Several hon. Members *rose—*

Andrea Leadsom: I will give way in a moment, but first I wish to discuss the business case for HS2. HS2 Ltd claims that there is a net benefit ratio of two, which means a £2 return for every £1 spent. That is pretty much the minimum we could expect from a rail project, but even that modest claim makes some enormous assumptions. For example, a core, but ludicrous, assumption is that the time spent on a train is completely wasted, so we can attribute a value in pounds to any minute saved on travel. That would not matter so much if it were not for the fact that more than 50% of the £20 billion return claimed for this project comes from the time savings. That is simply ludicrous.

A second enormous assumption is made in the passenger forecasts. HS2's forecasts are heroic when compared with Network Rail's own assumptions over a similar period. Surely we should learn the lesson of history. By 2009 Eurostar had achieved only 37% of the passenger numbers forecast when the HS1 link was built. We simply cannot continue to make these massively optimistic forecasts. The Public Accounts Committee took the Department for Transport to task on this point, and the DFT agreed that it would put in far greater downside assumptions for its next infrastructure project.

Hugh Bayley (York Central) (Lab): If the hon. Lady represented a constituency further away from London than Northamptonshire, she would value the time savings that would allow businessmen to meet their business contacts more quickly. Has she not seen the PricewaterhouseCoopers assessment that within three years of the line being completed the Government could cover their costs and get £6 billion or £7 billion in addition by floating the railway to the private sector?

Andrea Leadsom: I thank the hon. Gentleman for that intervention. Has he seen the Mott MacDonald report showing that since the advent of wi-fi and the internet the value of time spent on a train has been increasing exponentially every year? It is ludicrous to assert that there is no value in time spent working on a train.

Several hon. Members *rose—*

Andrea Leadsom: I wish to make some more progress. Families up and down the country are feeling the pinch desperately. We are in an economic crisis, yet this project is costing the taxpayer £1 billion even before a single piece of track is laid in 2015—that sum is just to pave the way for HS2.

I wish now to discuss the ludicrous time frame. Nothing is going to get built before 2026. When I commute between Euston and Milton Keynes in peak hours, as I often do, it is not a case of, "Can I get a seat?"; it is a case of, "Can I physically get standing room on the train?" There is a massive capacity problem right now, and it cannot wait until 2026. It certainly cannot wait for 21 years, until the full "Y" is completed. Man might not land on Mars by 2032, but it is entirely possible that there will be technological changes by then that mean that HS2 is out of date before it is even finished.

Angie Bray (Ealing Central and Acton) (Con): Does my hon. Friend not accept, however, that HS2 was a manifesto promise that was extremely valuable to people like me who were campaigning against a third runway at Heathrow? We were going to put people on trains, not planes, and phase 2 of this project will deliver precisely that.

Andrea Leadsom: I thank my hon. Friend for that intervention. All I can say to her is that when the facts change, we should change our minds. HS2 has not fulfilled its early promise. We simply cannot say that we will spend £32 billion because we broadly scoped something out in our manifesto that looked as if it would deliver the earth.

Dr Julian Huppert (Cambridge) (LD): Will the hon. Lady give way?

Andrea Leadsom: I will not give way again. I am sorry, but lots of people want to speak.

I am no rail expert, but there are lots of people who are, and they have put forward a broad range of different options that the Government and the Department for Transport should consider as alternatives that would offer more jobs, and faster and greater capacity while improving our existing rail infrastructure. I want to mention a few. We could lengthen existing trains from nine carriages to 12, and we could convert more from first class to standard.

Stephen Hammond *rose—*

Andrea Leadsom: I will not give way again.

We could consider solving the bottlenecks and pinch points that are so frequent along routes that slow down the system and give us less capacity. We could consider reopening old branch lines, particularly those that would enable passengers to switch between the east coast and west coast main lines and the Chiltern line. That would solve part of the problem in the firewall argument. We could consider solving the artificial peaks in demand generated by our appalling fare structure. We could even consider a new line just between London Euston and Milton Keynes so that the west coast main line could be dedicated to taking passengers to the north of England far faster and on a far more frequent service.

Julie Hilling (Bolton West) (Lab): I thank the hon. Lady for giving way, because it strikes me that her argument is that HS2 is a bad, bad idea, but that it is all right if we build an extra line between London and Milton Keynes. Is she then saying that those of us who live in the north, the north-west and Yorkshire and Humberside should not be allowed to travel on trains? I am bemused.

Andrea Leadsom: If the hon. Lady had listened, she would have heard that I said we should consider building a dedicated local line so that the west coast main line could be exclusively available to those wishing to travel fast to the north of England on the inter-city train. It is nonsense to say that we should build a dedicated £32 billion line instead of considering a proper solution to the capacity problem. The final potential solution we should be considering is giving the right spending priority to rolling out superfast broadband.

Archie Norman, the chairman of ITV, has said:

> "Scrap HS2 now and announce instead £17 billion of spending…to bring about the biggest improvement in history of Britain's existing railway."

I am genuinely sorry to be so at odds with my Government and with many Members over this project, but we must seriously consider whether spending £32 billion of taxpayers' money on a project that will deliver nothing until 2026 is worth while. In my view, it is not. It is monumentally expensive and the time scales are so long that they become satirical. As a result, HS2 risks being a vast white elephant that is out of date before it is even completed.

HS2 is not visionary, it is not green and it is definitely not economically sound. We can and must do better. I urge the Government, in the strongest possible terms, to reconsider this project so that it does not become a triumph of political will over economic sense.

Several hon. Members *rose—*

Mr Speaker: Order. Before I call the hon. Member for Coventry North West (Mr Robinson), let me emphasise that in seconding the motion he should confine himself to no more than 10 minutes, although he is not obliged to speak for that length of time if he does not wish to do so. Thereafter, in light of the very large number of Members seeking to catch my eye, there will be a six-minute limit on Back-Bench speeches.

3.59 pm

Mr Geoffrey Robinson (Coventry North West) (Lab): The purpose of asking yet again for a debate in the Chamber on high-speed rail was that, having had two very successful earlier debates in Westminster Hall, we knew that there was a great deal of interest throughout the House among Members representing virtually all the constituencies that have an interest in it. I am very pleased to see the remarkable attendance we have this afternoon, and to follow the hon. Member for South Northamptonshire (Andrea Leadsom), who has just opened the debate.

Those who attended the demonstration in Old Palace Yard this morning will have seen that there was a good turnout and a lively response from lorry drivers and others in relation to what we still call HS2. I am pleased to say that one lot from your constituency, Mr Speaker, remarked that they were anxious to speak to your good self about it, and I carry their best wishes and thanks to you. I said that you would almost certainly be in the Chair for the debate today, so I am pleased to see that you are indeed there.

The various points that have consistently been made against this project remain, but they have not been answered in debate or by the Government. The hon. Lady covered virtually all those points in her opening remarks. I am limited for time, and I intend to stay well within the 10 minutes because I know that a lot of Members wish to speak, but let me say that although the point about people being local or nimbyish about this issue is fair, I do not think that any MP who sticks up for his constituency should be at all apologetic about it. That is what we are sent here for, and if we do not do it, why are we here?

We have to take into account the national dimension, but I am prepared to say that I, and my Labour colleagues from Stoke and Coventry, certainly will not benefit from this project at all. I can see the arguments for Manchester, York, Leeds and other areas, which are well represented on the Opposition side, but it seems to me that we are doing things the wrong way around. I can see some benefits—although not the regional benefits that the Government claim—for Manchester, Leeds in particular, and York of being connected to a high-speed link to Birmingham and from there to London, but I think we should start the whole "Y" the other way around. We should start the line where it is most needed and most appreciated—from the north to the south. What is very clear, if we are honest about this, is that we do not desperately need the line from London to Birmingham. We are well served with trains every 20 minutes, and we are only going to get 30 minutes off the journey at best.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): Will my hon. Friend give way?

Mr Robinson: I will in a moment if my hon. Friend will hang on just a tick. I have only got 10 minutes, and time taken now will shorten someone else's time.

We really do not need this project. What we need is for the pinch points to be relieved and some of the capacity bottlenecks to be relieved, and we could get the whole capacity increase we need on that line. Centro, which is responsible for the west midlands portion of the line, has said that it desperately needs that to be done now. That is the way to do it, not to wait until—

Richard Burden (Birmingham, Northfield) (Lab): Will my hon. Friend give way?

Mr Robinson: I will give way in a moment, but I know what my hon. Friend is going to say because he represents a Birmingham constituency. I take those points too, but on the argument about this being a regional policy, let me say that any remotely sensible study that has been done on it says that 75% of the jobs are going to be created in the south-east, so we should forget the idea that it is a regional policy: that does not stack up. It is a convenience for certain metropolitan centres in the north, and the idea is that if ever it gets up to Edinburgh and Glasgow it could be a spinal cord that unites the country despite the tensions we feel at present—so why not start it up there? Why not start it from Leeds or York? That is what needs doing—and urgently—but of course they will not do that, because everyone knows that the subsidy for that area would be enormous and could not be justified. It can be justified only for the small London-Birmingham stretch where the subsidy will be highest, and it will not benefit ordinary travellers in any sense. It will be subsidised to a massive extent by the taxpayer and, by those businessmen, and others—

Mark Lazarowicz: Will my hon. Friend give way?

Mr Robinson: I know that my hon. Friend has been trying to get in, so I will give way just this once and then I will make progress.

Mark Lazarowicz: I am grateful to my hon. Friend for giving way. Some of his points about where the benefits would flow with high-speed rail are important, but surely what he is assuming is that people would just build the line and there would be stations but nothing else would happen. The whole point is that high-speed rail offers opportunity for much more comprehensive economic planning built around a high-speed rail network. It is not just a high-speed railway and stations on their own; it is part of a much wider approach that is required.

Mr Robinson: I am delighted to hear my hon. Friend talk about economic planning. I think that, sadly, that went out in 1966, when the Labour Government ditched the national plan. Let us be hard-headed and realistic about this. HS2 will have some benefits, and certainly it will help businesses to travel more quickly to London, but that is about all we can say. If I were a Manchester MP I am sure I would be supporting it, but below there it does not make any sense at all.

Julie Hilling: Will my hon. Friend give way?

Mr Robinson: I am running out of time, but I shall give way to my hon. Friend once.

Julie Hilling: I thank my hon. Friend for giving way, because I want to challenge his view that there is no benefit for Birmingham. I would much prefer the track to start in the north, but the reality is that the capacity issue is on the bottom part of the line and that if we do not do something to free up capacity there—and the bodged bits that people are talking about doing would not be adequate in the future—we will not have local trains running either.

Mr Robinson: I do not accept that at all, and the hon. Lady should look at what Centro and others have said. There is a capacity problem. The Government's capacity projections are way over the top, just as they were for HS1, which was the biggest flop ever. Their capacity projections said that the minimum would be a fifth of

[Mr Robinson]

the maximum, but they could not even get the capacity up to that level. It lost money from day one, and it was flogged off recently to someone in Canada who has no interest in it at all, at a whopping loss of £2 billion or £3 billion. That is the truth.

Richard Burden: Will my hon. Friend give way?

Mr Robinson: No, I will not give way any more.

Richard Burden: You are talking about Birmingham.

Mr Robinson: I live next door to Birmingham; I know all about Birmingham.

Richard Burden: Would you like to hear from Birmingham at all?

Mr Robinson: I just mention in passing that when I was being selected—those few years ago—

Karen Lumley (Redditch) (Con): Will the hon. Gentleman give way?

Mr Robinson: I will give way in a moment—no, I will not give way, sorry.

As a prospective Coventry candidate, I was told, "You've got to remember one thing, Geoffrey: the only good thing that comes out of Birmingham is the Coventry road"—but I will leave that there.

In all seriousness, with £33 billion of capital expenditure, this is the largest capital project that this country will ever have engaged in. That money could be better spent elsewhere. Dealing with the capacity problems between London and Birmingham and increasing capacity by 47% can be done now. The plans are there; they are shovel ready.

Julie Hilling: That will not solve the problem.

Mr Robinson: It will. Taking a realistic view of capacity, of course it will solve the problem, particularly if we are set back by a 16% output gap, thanks to the recession. Even the Government have had to revise their plans. Does my hon. Friend really believe that we will have more than a 50% increase in capacity in the next 10 years before the project comes in? We need an increase now. We can get 50% by lengthening platforms, without the huge tear-up in London and elsewhere, or the cost that HS2 would involve.

I will mention a few other points that I think are relevant. I happen to agree with those who feel that HS2 would involve the unnecessary tearing up of some of the most beautiful country that we have. This morning, Mr Speaker, your constituents were waxing lyrical about their village. I feel for those who will have their houses smashed and repossessed—all for no good. If we were at war and had to move ammunition, as we probably did in those days, there would be a case for HS2. There is no case now. As I have said, it is not the best way to increase capacity. That could be done in the shorter term and much more cheaply. It will not benefit ordinary people, and it will not help the north-south divide.

Above all—I say this in all seriousness to my colleagues from Manchester, Leeds, York and others who are here today—I fear that the real danger is that the line will not get built up there. They will find that the cost of getting the line to Birmingham will be blown up beyond all the estimates. Everyone will heave a sigh of relief and say, "We don't have to go on. This is the profitable part." In all likelihood, that is what will happen.

As for the environment, the hon. Member for South Northamptonshire made it quite clear that even the Government, and now Greengauge and the other lobby action groups in favour—paid by the Government, of course, or by the company itself—have admitted that HS2 will not do anything for the environment. One is at a loss to know why the Government are doing this. The whole cover was blown by the hon. Member for Ealing Central and Acton (Angie Bray), who said that the Government reached a deal to oppose the third runway at Heathrow and have HS2 instead. It was a £30 billion election bribe. Whether or not it won them any seats I do not know, but the cover was blown earlier, in that intervention on the hon. Member for South Northamptonshire.

I put it to the House that I do not think that many hon. Members are in the mood to listen the arguments today. It is perfectly legitimate for them to seek to push their constituency interests, but let us go from legitimate constituency interests to a sane, objective assessment of the problems of the capital project, and the hon. Lady exposed the myths that lie behind that project.

4.9 pm

Tony Baldry (Banbury) (Con): That was a touching cameo of the brotherly love between Birmingham and Coventry Labour Members of Parliament. I am sure that if we had the opportunity to attend parliamentary Labour party meetings, we would see it displayed every week.

Time is short, and I do not intend to repeat what I have said in previous debates on High Speed 2. If hon. Members or others are interested, they can find what I have said previously on my website—I am not one of the Twitterati, but I am catching up with websites—at www.tonybaldry.co.uk/tag/hs2. As the House will know, the Transport Committee is undertaking an inquiry on the principles of HS2. I hope that it will pay regard to two points. The first is capacity. It is unclear to me whether the purpose of HS2 is to enable more people from cities such as Manchester and Leeds to travel by rail to London and back, or to allow people to travel faster to London at greater expense. All the statistics show train use increasing. That is probably not surprising, given the ever-increasing cost of petrol. Like other Members, I frequently take long-distance inter-city trains to see family members or, increasingly, as part of my other duties in the House, to visit cathedral cities. Nowadays, irrespective of the time of day at which I travel, the trains are always full, so it strikes me that what is needed on our rail network is greater capacity.

Greater capacity may mean somewhat unglamorous improvements to services that we already use—improvements such as longer trains, extended platforms and improved signalling. Rail campaigners in my constituency argue that if we need a new railway line for capacity, we should

> "make the line compatible with existing rolling stock so it can be used to ease congestion on the whole network when required. The stand-alone design, (of HS2), means that if the West Coast

mainline gets blocked, for some reason, you will not be able to reroute trains down the new line".

The second issue that I hope the Select Committee will consider with great care is the business case for HS2. This is obviously a matter of concern to everyone.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I thank the hon. Gentleman for his reference to the work of the Select Committee. It has not yet reported on High Speed 2, so I do not feel that I am in a position to give any conclusions—they are not there yet—but I can confirm that the issues that the Select Committee is considering very carefully have to do with capacity, impact on the economy and environment, and value for money. There are a wide variety of views on all those issues, and the Select Committee is looking at all of them in the round. We will report in due course.

Tony Baldry: Of course, and as one of those who argued strongly that the Select Committee should undertake the inquiry, I have absolutely no doubt that the Committee will deal with the issues with great diligence. I am sure that the House looks forward to debating the Committee's report and the Government's response to it. I hope that the debate can take place here in the main Chamber, and not in Westminster Hall, which is where such debates are often held.

As the hon. Lady says, clearly one of the issues that the Committee has to look at is the business case. A considerable sum is being spent, and of course the money spent on HS2 will not be available for investment elsewhere in rail infrastructure; £30 billion is a very substantial amount, and we all need to be confident that the business case will stack up. Conservative Members who entered the House when Margaret Thatcher was Prime Minister, as I did, always had a very high regard for the advice of the Institute of Economic Affairs. Over the years, it has readily embraced new ideas, so it is sobering that its verdict on HS2 is that

> "There is a significant risk that High Speed 2…will become the latest in a long series of government big-project disasters".

The business case for HS2 appears to be based on a number of assertions, such as people do not work on trains. I hope that the Select Committee will investigate those assertions. I understand that there are suggestions in official documents that the effect of HS2 will be to benefit London and the south, in terms of jobs and growth, rather than cities such as Manchester and Leeds. The contribution of the hon. Member for Coventry North West (Mr Robinson) demonstrates that many Members representing inner cities are concerned about the differential regional impacts of HS2. I hope that the Select Committee will call for and examine those papers, as it is in a better position than most of us to challenge and evaluate the evidence on HS2.

Angela Smith: The Northern Way did a lot of work on this and pointed out that the economic benefit of HS2 would be as great for the north as it would be for London and the south east. The key point is that the economic benefit is the sum of the whole and that UK plc will be the beneficiary. The other important point about HS2 is that it will help to rebalance the economy.

Tony Baldry: It is really important, for the benefit of the whole House, that the Select Committee should consider all these issues. None of us has had the benefit of hearing all the evidence and there is a slight danger—as with liquorice allsorts—that Members will pick only the evidence they want. If we as a nation are to spend £30 billion, I am concerned that it should be money well spent. I am sure that the Committee will diligently consider all the evidence and report back to the House. The hon. Lady represents a Manchester constituency—*[Interruption.]* I apologise. She represents a Sheffield constituency—*[Interruption.]* Well, it is a Yorkshire constituency. She clearly has a preconceived view that HS2 will somehow benefit her constituents. I hope that she will reflect on all the evidence submitted to the Committee. She shakes her head. I hope that she will not dismiss it and that the whole House will have the opportunity to consider the matter in the round.

Even if the nation's finances start to improve substantially after 2015, as we all hope they will, £30 billion is still a very substantial sum. We have a collective duty to ensure that such a significant sum is spent in the best possible way. My concern is that the project started very much as a vanity project. The previous Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), went up to Birmingham before the general election to announce the project in the hope that it would win him a few votes there. I simply do not think that that is a good way to start such a massive project.

Richard Burden: I agree with the hon. Gentleman that it is important that the Select Committee looks at all aspects of this and follows the evidence—that is what Select Committees are for. He mentioned my hon. Friend the Member for Coventry North West (Mr Robinson) who used the word "we" rather liberally when referring to the west midlands. I should point out for the benefit of the House that my hon. Friend's views are not universally shared in the west midlands, in Birmingham, or even in Coventry.

Tony Baldry: That demonstrates the divisions in the Labour party in the west midlands, but I think we all agree that the House should listen carefully to all the evidence.

4.18 pm

Mr Roger Godsiff (Birmingham, Hall Green) (Lab): Many people are using public transport more these days, particularly the railways, despite the extortionate fares that train operating companies extract from customers for the cheap but not very cheerful service they usually get, particularly on commuter lines. I very much welcome the increased use of public transport, because it reduces carbon emissions and is generally better for the environment.

Two acts of monumental folly have affected the railway industry in the past 50 years. The first was the decision in the early 1960s by the Conservative Government of the day to let Dr Beeching butcher Britain's network of branch lines, which had linked communities across the country. The second was the decision by another Conservative Government to privatise the railways in the early '90s, a decision that even the arch-privatiser, Mrs Thatcher, had the good sense not to pursue. Of course, this has meant that the taxpayer has been paying vastly more in subsidy to train operating companies and to the network than was ever paid pro rata to British Rail. I hope that the coalition and the Minister will not, over this decision, make it three monumental follies in a row.

[Mr Roger Godsiff]

The coalition proposes that we spend £32 billion by 2026 on a new rail project from London to Birmingham, which then goes on to Leeds and Manchester by 2032, allegedly saving 30 minutes' travelling time from Birmingham and 50 minutes from Manchester. The fact that business people invariably travel first class and can use their computers and communications networks while travelling, while others will remain in Birmingham, Leeds and Manchester and hold meetings using video conferencing facilities, is dismissed by the vested interest groups, which see a massive tranche of public money that they would like to access.

At a time when ordinary people are facing massive reductions in their living standards, living under threat of losing their jobs and watching their community services such as libraries, Sure Start centres and centres for elderly people being axed, we are prepared to commit £17 billion, the estimated cost of the line from London to Birmingham, in order to get business people from Birmingham to London 30 minutes sooner—always assuming that there are no high-speed leaves on the line and the high-speed signalling equipment actually works.

Mark Lazarowicz: Will my hon. Friend give way?

Mr Godsiff: Time is limited, so my hon. Friend must forgive me.

No wonder an online survey by the *Birmingham Post* showed that 75% of respondents were against the project.

What other inflated claims are made for the project? It is said that it will help to diminish regional inequalities and promote growth, but there is no evidence of that. If we look at what has happened in Japan, Spain and France, we find that the high-speed connections there have benefited the hub much more than the outer communities.

What about the effect of the project on towns and cities that High Speed 2 will bypass? The deputy leader of Coventry city council says that the plans for High Speed 2 send a clear message that

"Coventry is not a place to stop."

Bearing in mind what my hon. Friend the Member for Coventry North West (Mr Robinson) said about Birmingham, I suggest that that might not be a bad idea.

Where high-speed trains do work is in countries with large land mass, but in other, smaller countries they take resources from humbler but more needed schemes, such as the upgrading of existing networks, signalling and infrastructure. Unfortunately, however, we all know as politicians that unveiling a new signal box tends to appeal less than inaugurating a futuristic new service. The project's other exaggerated claims have already been dealt with.

Hugh Bayley: Will my hon. Friend give way?

Mr Godsiff: Time is very limited.

Hugh Bayley: It gives you extra time.

Mr Godsiff: All right.

Hugh Bayley: Does my hon. Friend realise that the project is not a zero-sum game? As in any business, if one invests in a new product, one gets new customers and generates economic growth. We need investment in the current network, for sure, but that is no reason not to go ahead with High Speed 2.

Mr Godsiff: I am all in favour of infrastructure investment, but I can think of a whole host of infrastructure investment on which £32 billion could be spent in my constituency, my hon. Friend's constituency and many other constituencies. This project is not good value for money, and it has not been thought through.

Dr Julian Lewis (New Forest East) (Con): Surely it is a zero-sum game, as was said earlier, because, at a time when we in constituencies that are not directly affected by this railway project are nevertheless having to fight, for example, to save hospitals from closure due to cuts, it seems sheer madness to look at this level of investment instead of at saving our services.

Mr Godsiff: I am delighted that I gave way to the hon. Gentleman, because I agree.

Putting aside my views on the subject, I shall share with the House the views of a Manchester-based businessman who came to London on Tuesday for a meeting of the Surface Engineering Association, an excellent organisation that looks after the interests of companies operating in that segment of manufacturing industry. I asked him how long it had taken to travel down to London that day, and he said "Two hours, eight minutes." He asked why I wanted to know and I told him about the upcoming debate on High Speed 2. He responded that getting to London from Manchester 50 minutes quicker did not really bother him because he used train time to work on his computer and to make calls. He ventured the opinion that if the Government had that sort of money to spend, they should do something about the bottlenecks on the M6, as well as improving the transport infrastructure in many of our cities.

Those views are similar to the majority of those expressed to me by business people in my constituency. Not one business person has come to me and said, "Thirty minutes is going to make the difference between my company succeeding or not." It is a fallacy to believe otherwise. However, over the years, plenty of constituents have come to me and said that there should be better public transport facilities within Birmingham—an underground system such as the one in London, a tram system such as those that operate in European cites, improved bus services, or new or reopened train lines and stations within and around the city. Those are the types of improvements that the people of Birmingham want, not a vastly expensive link between London and Birmingham.

People have expressed a great deal of concern about the damage that this will cause in the Chilterns and Warwickshire. The impression has been given that only people who live there are concerned about those areas. In fact, many people living in Birmingham travel to the countryside, especially elderly people in my constituency who have enjoyed the benefits of the free or concessionary fares introduced by the Labour Government. They enjoy the countryside; they are certainly not part of the "carpet the countryside with concrete" brigade, and neither am I.

We have had many vanity projects in this country that have been a disaster. I hope the Minister will think again about this project, because I believe that if she goes ahead, it will be a disaster.

4.26 pm

Esther McVey (Wirral West) (Con): The temperature of this debate is running high. In a densely populated country such as England, it will never be easy to come to a decision about transport infrastructure going right the way through the country. That said, just because a decision is hard and opposition is loud does not mean we should shy away from hearing the points made and coming to that decision.

I have listened to a lot of what has been said about the differences between the north and the south, with Members saying that High Speed 2 will not help—but it will. I come to this debate as an MP from the north-west and, in particular, as an MP from Merseyside. This, to us, is infrastructure we need. We are not going to develop because of this infrastructure, but without it our growth will be stymied. As Government Members, we have all voted for a redistribution of wealth—a change from dependence on the public sector to the private sector. We in the north-west need this infrastructure to allow our private sector to grow so that we stop being overly reliant on the public sector. To all intents and purposes, High Speed 2 was meant to aid the decentralisation of that economic power base.

Let me turn to the figures. Yes, the cost of High Speed 2 at £30 billion is a huge amount of money. However, the fare revenue will bring down that cost to £17 billion. Private sector investment is expected to cover a lot of the cost on key parts of the network such as station developments. In response to a recent question of mine, the Secretary of State said that High Speed 2 in its entirety will bring in £44 billion. The latest review from KPMG puts tax receipts alone at between £6 billion and £10 billion per year. That means that High Speed 2 will easily pay for itself. We have not heard about any of that today.

Graham Stringer (Blackley and Broughton) (Lab): The previous three speakers said that one of the disadvantages of the project is that it has come out of a political agreement among the three parties. I think that that is a massive advantage. It is because we do not have political agreement that we have the lowest motorway density in western Europe, a lack of airport capacity where we need it, and in the north-west a railway system running on timetables worse than in Gladstonian times. The country will benefit from this project because the three parties agree with it. Does the hon. Lady agree?

Esther McVey: I agree entirely with the hon. Gentleman. We need cross-party support and we also need cross-country support.

I appreciate that infrastructure is not an end in itself, but it is a means to an end. It opens up areas to opportunity and it is for those areas to seize upon that opportunity and capitalise on it. In considering the High Speed 2 development, we must look at the northern hub and connectivity across the north. We must look at the Y shape of the line and link in not just Manchester and Leeds, but Liverpool.

Dr Andrew Murrison (South West Wiltshire) (Con): I fully support high-speed rail, as does my hon. Friend. However, in the context of connectivity, does she accept that the forgotten English region is the south-west? Although one can support this project, it must be accepted that any available funds elsewhere need to be funnelled in that direction and to the west of England to ensure that we have the connectivity that she is describing.

Esther McVey: I do not disagree at all. I believe that we need greater connectivity across the board. Equally, this project is not starting until 2017 and will go on for two decades. I would like that to be brought forward, not just for the north-west but for the south.

I want to look at where Merseyside needs to develop and what development we are stopping. Official figures for 2009 recorded that 48 million UK day visitors went to Liverpool. It was the sixth most popular destination in the UK. The number of visitors is projected to grow to 55 million by 2013. With overcapacity on the trains, that will not happen. This is not just about speed; it is fundamentally about capacity.

There is also the Liverpool super-port freight development, which is being led by the private investors, Peel. It is set to develop a £300 million in-river berth, which will increase port capacity from 700,000 containers a year to 3 million, creating more than 4,000 new jobs. We need connectivity, warehouse storage and logistics. We want to grow all of those things. This is about rebalancing the economy. Of course there will be jobs in building the infrastructure, but there will also be key jobs in freight and movement. Liverpool should be positioning itself as the port of the north. I have always said that without our ports—whether the cruise terminal or the freight port—we are only a 180° city or half a city. We need to open up links to our waterways to ensure that we are a 360° city.

Steve Baker (Wycombe) (Con): I just make the tiny point that HS2 will not carry freight, because freight would make the trains too heavy to stop from high speeds. I just wanted to check that my hon. Friend was aware of that.

Esther McVey: No, there will be increased freight capacity, and that is key. There has been a 56% increase in the amount of freight over the past eight years. We have to accommodate that and develop the capacity that we have.

In conclusion, High Speed 2 is vital, as are the northern hub, the connection with Liverpool, our ports and opening up the UK as a whole. There is a financial argument, which people have made. I have given the latest statistics from KPMG. High Speed 2 is about uniting the country, and about spreading wealth and opportunity to areas that desperately need them. My only concern is that it should happen sooner rather than later.

4.33 pm

Frank Dobson (Holborn and St Pancras) (Lab): Besides being the Member for Holborn and St Pancras, I am the Member for King's Cross and Euston. I feel like I have

[Frank Dobson]

been here before. About 20 years ago, the sort of people who are now proposing HS2 were proposing that the channel tunnel link should come into a vast concrete cavern to be excavated under King's Cross station. Many local people opposed it, and when the project team asked what I suggested, I said, "You could use St Pancras, it would be a much better idea." That was denounced as ridiculous for a time, but in due course St Pancras International was opened and is probably the most magnificent station in the whole world.

Now we have the proposition of HS2. I say to those who are in favour of it that to bring it in to Euston is just about as stupid as the King's Cross concrete box idea. Euston is already overcrowded, and getting to and from it by either bus or tube is extremely difficult. There are no proposals to improve that. Also, Euston is not on the Heathrow Express line and is not going to be on Crossrail. In recognition of that, the people behind HS2 are proposing the parkway station at Wormwood Scrubs, hereinafter to be known as Old Oak Common, which is on the Heathrow Express and will be on Crossrail. That suggests that they accept that it would be a good idea to have that station as the terminus if HS2 is built. I say that from a strategic and passenger point of view, but I do not pretend that it is my basic point of view. I try to represent the people in the constituency that I have represented for 30-odd years, which I am proud to do.

The proposal involves the demolition of the houses and homes of more than 350 of my constituents. Their attitude, and mine, is not nimby—"not in my back yard"—but "not through my front room", because that is what is being proposed. If HS2 is to be built, it would be totally unacceptable from a local point of view, and silly from a national point of view, to bring it into Euston.

Graham Stringer: Will my right hon. Friend give way?

Frank Dobson: No, I shall not, because I want other people to get their speeches in.

I am particularly concerned to end the planning blight that now afflicts the people who live in the area affected and those in the area behind it, Primrose Hill, who may also be disturbed by the developments. I therefore wrote to the Secretary of State asking what guarantees he was willing to give about suitable alternative accommodation for the people affected. I asked whether it would be in the neighbourhood; whether they would remain tenants of the council; how soon such alternative accommodation would be provided; whether people would have to live in temporary accommodation while permanent accommodation was built; what security of tenure they would have; and what the effect would be on their rents and service charges. I got a letter back from him saying, "Oh, all that will need to be looked into in the fullness of time." As far as I am concerned, that leaves 350 of my constituents on planning blight death row, and we have to do something about that. There is absolutely no reason why the Minister could not say today that she can offer all the guarantees that those people want, and that those guarantees will be one of the conditions of any agreement if the mad proposal finally goes ahead and HS2 comes into Euston.

John Pugh (Southport) (LD): Will the right hon. Gentleman give way?

Frank Dobson: No, I want to sit down as quickly as I can so that other people can get in.

I believe that Euston is a stupid place to use as the terminus, even from the point of view of those who favour High Speed 2, and that it is a disastrous proposition from the point of view of the people I represent.

4.38 pm

Stephen Hammond (Wimbledon) (Con): It is a great honour and pleasure to speak in this debate, and I congratulate my hon. Friend the Member for South Northamptonshire (Andrea Leadsom) on securing it. She has allowed everybody who has a point of view the chance to make their case, expose the arguments of the other side and put forward their own.

In the last Parliament I was fortunate enough, along with the Minister of State, my right hon. Friend the Member for Chipping Barnet (Mrs Villiers), who is in her place, to be part of the shadow transport team who were the first authors of a major high-speed rail debate, and indeed of a high-speed rail policy.

The hon. Member for Coventry North West (Mr Robinson) is absolutely right that there is a principled case for opposition to the scheme. My constituents are affected, as are those of the right hon. Member for Holborn and St Pancras (Frank Dobson). What is not a principled position, however, is to say that there is no economic, environmental, financial or travel case for high-speed rail. There clearly is a case, although its merits might differ according to differing points of view.

I have read both the rail package 2 study and the "A Better Railway for Britain" study, the proposals in which are often referred to as an alternative to high-speed rail. I shall briefly examine—because I want to move on to the positives, rather than the negatives—the proposals in the latter study for overcoming the capacity issues on the west coast main line. It proposes to introduce 12 car trains, grade-separated junctions and an additional track south of Nuneaton. It claims that the costs, at best, would be £2.06 billion, but it takes that figure from another, flawed document. I do not know whether those who produced the study have ever spoken to any of the rail operators, but it will be extremely difficult to integrate 12 cars into 11-car sets.

Paul Maynard: Does my hon. Friend agree that rail package 2 plus and RP2 both admit that they do not tackle the peak-hour demand, which is the crucial concern of many of us travelling on the west coast main line?

Stephen Hammond: Absolutely. However, so much in "A Better Railway for Britain" is mere assertion. The good points, though, are like that television programme from so long ago, "Not Only… But Also". Not only do we need to do the things mentioned in RP2; but also we need high-speed rail. The case for high-speed rail is clear. It revolves primarily around capacity. Official sources say that the west coast main line will be full by 2020, although some say 2026, while unofficial sources say 2015. The question, then, is about how we add capacity. We either build a classic new line or we build one that uses some of the new techniques and signalling. The latter is called high-speed rail.